



human settlements

Department:
Human Settlements
North West Provincial Government
REPUBLIC OF SOUTH AFRICA



Annual Report

2025/2026

**BUILDING A
NORTH WEST PROVINCE
THAT WORKS FOR ALL**



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PART

A

GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

PHYSICAL ADDRESS: 2nd Floor West Wing, University Drive, GaRona Building,
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POSTAL ADDRESS: Private Bag 2079
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2735

TELEPHONE NUMBER/S: 018 388 5176

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WEBSITE ADDRESS : www.nwpg.gov.za/humansettlements

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa
AC	Audit Committee
AO	Accounting Officer
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
MEC	Member of Executive Council
HOD	Head of Department
IAF	Internal Audit Function
PFMA	Public Finance Management Act, Act 1 of 1999
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
EU	European Union
SITA	State Information Technology Agency
SDIP	Service Delivery Improvement Plan

3. FOREWORD BY THE MEC



Name: Mr. Gaoage Oageng Molapisi

Title: MEC: Department of Cooperative Governance, Human Settlements and Traditional Affairs

In the 2023/24 financial year annual report, I contended that the Department takes pride in providing much-needed services to our communities as mandated by the Constitution. We have, therefore, continued on an upward trajectory to improve the lives of our people as envisioned by the Freedom Charter.

I am honoured to present the Department of Human Settlements' Annual Report for the 2025/2026 financial year. This report reflects the department's collective efforts and unwavering commitment to accelerating the delivery of sustainable and integrated human settlements while promoting dignity and social cohesion through access to adequate housing.

One of the key highlights for the 2024/2025 financial year is the fact that the Department has fully utilised its allocation of the Human Settlements Development Grant (HSDG). We have successfully built 3429 units and 9841 serviced sites. For the upgrading of the Informal settlement programme, over 4000 serviced sites were delivered at the end of the financial year.

This is a testament that we have made significant strides in transforming the human settlements landscape, despite the socio-economic challenges that continue to impact our communities. Amongst the key challenges that confront the sector are the effects of a lack of economic growth, which impacts budget allocation, and unplanned budget cuts that impact programmes and the timely delivery of housing.

We are working with municipalities and provincial departments on issues of land availability, which has a continued effect on our programme, including the Military Veterans Programmes.

The progress documented in this report demonstrates our dedication to building inclusive communities, eradicating informal settlements, and enhancing spatial planning in line with our national development priorities and the goals of the District Development Model (DDM).

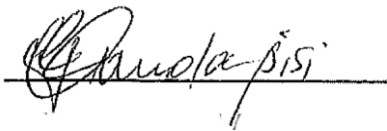
To ensure that we address the housing backlog and sporadic rise of informal settlements, I will host the Department's Housing Summit in the next financial year. The upcoming 2026 elections will be the hallmark of our democratic project, and a great reminder of the trust placed in us by our people. Thus, we should be in a position to demonstrate through strategic partnerships with municipalities, private sector stakeholders, and communities our commitment to a solid foundation to improve the quality of life for our people.

This report serves not only as a record of our achievements but also as an honest reflection of the areas where we must improve. We remain steadfast in our mission to ensure that every citizen lives in a home that is safe, decent, and supported by the necessary infrastructure.

A word of gratitude goes much to the Head of Department, departmental staff, and partners for their relentless dedication. Your commitment enables us to deliver on our constitutional mandate and build a future where everyone, regardless of their background, has a place to call home.

To the National Department of Human Settlements, National Council of Provinces, Portfolio Committees and citizens — thank you for your continued engagement and support.

We will continue with our quest to fulfil the mandate of delivering a better life for all with decent and sustainable housing as an apex priority.



MEC: G.O. MOLAPISI

MEC of the Department of Corporate Governance, Human Settlements and Traditional Affairs

Date: 27/08/2026

4. DEPUTY MINISTER STATEMENT (N/A)

Photo of Deputy Minister

Name:

Title:

The Deputy Minister statement should cover the following:

- Statement should include activities and highlights of the department for the financial year under review
- Acknowledgements /Appreciation
- Conclusion

(Name of the Deputy Minister)

Deputy Minister of the Department of

(Date)

5. REPORT OF THE ACCOUNTING OFFICER



Name: Ms. M.K. Mahlobo

Title: Accounting Officer: Department of Human Settlements

Departmental receipts

Departmental receipts	2025/2026			2024/2025		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts						
Casino taxes						
Horse racing taxes						
Liquor licences						
Motor vehicle licences						
Sale of goods and services other than capital assets	48	131	(83)	104	121	(17)
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land						
Sale of capital assets	0	254	(254)	0	77	(77)
Financial transactions in assets and liabilities	61	1 663	(1 602)	0	147	(147)
Total	109	2 048	(1 939)	104	345	(241)

The Department is not in the business of generating revenue in its nature. Main source of revenue is commission earned from third party deductions and sale of tender documents. No tariff is levied by the Department for housing development provided to the communities.

The Department over-collected on its revenue target due to a substantial amount generated from the sale of cell phones. In addition, the Department collected more revenue than planned from invoices that were paid in the prior year but recovered in the current financial year.

Programme Expenditure

Programme Name	2025/2026			2024/2025		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	190 484	186 787	3 697	183 303	182 664	639
Housing Needs, Planning and Research	35 795	35 155	640	30 312	29 270	1 042
Housing Development	1 629 431	1 617 505	11 926	1 830 695	1 827 909	2 767
Total	1 855 710	1 839 447	16 263	2 044 310	2 039 843	4 448

The Department has spent R1 839 447 billion of its total allocation of R 1 855 710 billion in the 2025/26 financial year. This translates to a percentage spending of 99%. Underspending is as a result for the following reasons: Recruitment processes not completed contributing to under-expenditure on compensation of employees, payments for capital assets due to procurement process not yet finalized in relation to purchasing of cell phone & cabling installation for one of the Department's buildings and payments relating to projects (HSDG and ISUPG) that could not go through at year end due to system closure.

- Virements/Roll overs**

The Provincial Treasury approved a virement as follows;

Programme 1: Corporate Services increased by R 2 438million.

Programme 2: Housing Needs, Planning & Research was reduced by R1 661 million

Programme 3: Housing Development was reduced by R777 thousand

Reason for the virement

To avoid unauthorized expenditure on the Vote.

- Rollovers**

The department requested a rollover of R 3 712 million on HSDG, R 7 563 million on ISUPG and R1 889 million on Equitable Shares.

- A description of the reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence.
- Unauthorised expenditure
None

- Irregular Expenditure

The Department incurred a cumulative irregular expenditure amounting to R 8 349 410 941.54 as at 31 March 2026. The increased irregular expenditure arose from prior year contracts that the Auditor General declared irregular as the sourcing strategy and the use of the panel of contractors employed did not comply with Section 217 of the Constitution. To address this, the Department has discontinued the use of the panel and has resolved to go through a competitive bidding process for all infrastructure projects in the 2025/26 Financial Year. The department continues to address identified irregular, fruitless and wasteful expenditure through investigation, consequences management and financial regulation processes. The identified irregular expenditure of R 1 686 881 925.48 has been submitted to Provincial Treasury for condonation, while R 6 662 529 016.48 is currently being dealt with by Loss Control committee. The Accounting Officer has already applied consequence management to all officials identified as responsible.

- Fruitless and Wasteful Expenditure

The Department incurred a cumulative irregular expenditure amounting to R 1 326 486.25 as at 31 March 2026.

Expenditure of R 1 230 031.08 is being dealt with by Legal Services and Labour Relation, while the remaining R 96 455.17 is being addressed by Loss Control Committee to determine the circumstances that led to the expenditure and whether any negligence or non-compliance occurred. Upon completion of the investigation, a comprehensive report containing the findings and recommendations will be submitted to the Accounting Officer for consideration and approval. Following the Accounting Officer's review and decision, the matter will thereafter be forwarded to the relevant Treasury authority for consideration and possible condonement in line with the prescribed legislative and regulatory framework.

- **Strategic focus over the short to medium term period**

The department seeks to achieve its short- and medium-term strategic targets by providing sustainable human settlements and improved quality household life through delivery of quality housing units, servicing sites for development, issuance of title deeds and upgrading of informal settlements.

- Public Private Partnerships

None

- Discontinued key activities / activities to be discontinued

None

- Reasons for discontinuance

N/A

- Effect on the operations of, and service delivery by the department

N/A

- Financial implications of each discontinued activity.

N/A

- New or proposed key activities

None

- Reasons for new activities

N/A

- Effect on the operations of the department

N/A

- Financial implications of each new activity

N/A

- **Supply chain management**

- List all unsolicited bid proposals concluded for the year under review

None

- Indicate whether SCM processes and systems are in place to prevent irregular expenditure

There are processes in place to avoid irregular expenditure such as functionality of bid committees and strict adherence of internal SCM policy and Treasury Regulations. SCM processes is being assessed by PIA for all bids above R10M before awards are made.

- Challenges experienced in SCM and how they were resolved

The Department incurred a cumulative irregular expenditure amounting to R 8 349 410 941.54 as at 31 March 2026. The increased in irregular expenditure arose from prior year contracts that the Auditor General declared irregular as the sourcing strategy and the use of the panel of contractors employed did not comply with Section 217 of the Constitution. To address this, the Department has discontinued the use of the panel and has resolved to go through a competitive bidding process for all infrastructure projects in the 2025/26 Financial Year. The Department is also strengthening procurement, contract management and internal controls to ensure compliance with applicable legislation and prevent the recurrence of irregular, fruitless and wasteful expenditure.

- Gifts and Donations received in kind from non-related parties

None

- Exemptions and deviations received from the National Treasury

None

- Events after the reporting date

None

- Other

None

- Acknowledgement/s or Appreciation
- Conclusion
- Approval and sign off



Ms. M.K. Mahlobo

Accounting Officer: Department of Human Settlements

Date: 27/08/2026

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2026.

Yours faithfully,



Ms. M.K. Mahlobo

Accounting Officer: Department of Human Settlements

Date: 27/08/2026

6. STRATEGIC OVERVIEW

7.1. Vision

A community in an integrated and sustainable human settlement.

7.2. Mission

To provide adequate and sustainable human settlements that enable improved quality of life.

7.3. Values

Our organisational culture is depicted by the following attributes:

- Commitment
- Integrity
- Quality
- Courtesy
- Resourceful
- Diligence
- Efficient
- Batho Pele Principles

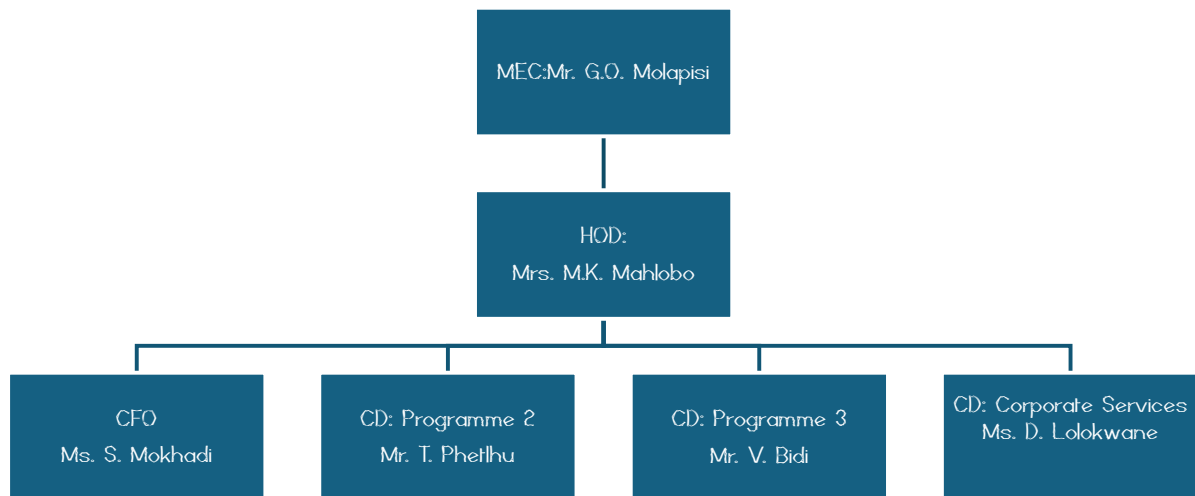
7. LEGISLATIVE AND OTHER MANDATES

Department of Human Settlements derives its mandate from Chapter 2 of the Bill of Rights in the Constitution of the Republic of South Africa which states that everyone has the right to access adequate housing.

- Constitution of the Republic of South Africa, 1996;
- The Housing Act 107 of 1997;
- The Housing Consumers Protection Measure Act 19 of 1998;
- The Rental Housing Act 50, 1999;
- Division of Revenue Act, 7 of 2003; Public Service Collective Bargaining Chamber (PSCBC) Resolutions;
- Occupational Health and Safety Act 85 of 1993;
- The Public Service Regulations 2001;
- The Promotion of Access to Information Act 2 of 2000;
- National Minimum Information Security Standard Policy of 1996;
- Public Service Act 103 of 1994
- Public Finance Management Act 1 of 1999; as amended
- Labour Relations Act 66 of 1995;
- Development Facilitation Act 67 of 1995;

- Breaking New Ground;
- Employment Equity Act 55 of 1998;
- Construction Industry Development Board Act 2000

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
North West Housing Corporation	North West Housing Corporation Act 24 of 1982 as amended	Schedule 3C Public Entity of the Department	The Corporation operate under the leadership of the North West Housing Corporation Board.

PART B



PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

Refer to page 114 of the Report of the Auditor-General, published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

Section 26 (1) of the South African Constitution states that everyone has the right to adequate housing and the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of this right.

The North West Provincial Government is also faced with a mammoth task of ensuring that its communities who need quality houses get those houses. Two major contributing factors to the slow delivery of houses during the 2025/26 financial year were as result of late payment of suppliers due to accruals from the prior years which led to slow delivery by contractors and some abandoning sites. The department has scaled down contracts of poor performing contractors and terminated of those on site.

Blocked Projects

The Department has formalised the assessment to address incomplete housing projects dating back to the 2007 during the tranche period. During this phase, funds were transferred directly to municipalities for the construction of housing units; however, various projects remained incomplete.

Following the departmental assessment, a Phase-Out Approach was approved to finalise these units. This strategy allows the Department to manage the delivery of long-standing houses commitments while navigating current budgetary constraints.

Phase 1 Progress (October 2023 – January 2026)

The first phase of the unblocking focused on a large backlog of units. The following data highlights the progress made over the 27-month period:

- Initial Backlog (Oct 2023): 5,551 units
- Remaining Backlog (Jan 2026): 2,873 units
- Net Completion: 2,678 units
- Completion Rate: 48.2% (approx. 48% of the initial phase target has been delivered to date).

The Department planned 426 units targets for the 2025/26 financial year to "unblock" projects, with a planned budget of R 93 million, the department could deliver 275 units with an expenditure of R 35, 1 million.

Title Deeds Restoration Programme

The Department appointed a panel of 25 conveyancers in the previous financial year of 2025/26. Since the appointment of the conveyancers, the department has registered 3181 title deeds out of a target of 6747. The non-achievement is due to factors outside of the department's control, e.g. non/poor functional Municipal Planning Tribunals (MPTs), amended Surveyor General Plans not registered at Deeds Office by municipalities, delays in municipalities signing Power of Attorneys, delays in municipalities exempting debt of rates and taxes for beneficiaries, etc.

Military Veterans Programme

For the 2025/26 financial year, the department planned to achieve 83 Military Veterans houses. At the end of the financial year, only 20 Military Veterans houses were completed. The programme is mainly faced with issues relating to the provision of serviced stands particularly in urban areas and geotechnical investigation reports in rural areas where beneficiaries are scattered throughout the villages. Housing Development Agency (HDA) and Public Works are currently in the process of finalizing the acquisition of 25 serviced stands in JB Marks LM to be subdivided into 50 and allocated to already existing 40 beneficiaries. NHBRC has been requested to assist the Department in conducting geotechnical investigation reports in various villages within Ngaka Modiri Molema and DRSM Districts. Upon completion of the bulk line in Boitekong Ext 16, the department will finalize the contractor appointment for 30 available beneficiaries. The municipality is still to finalize the allocation of the serviced stands in this regard too. The contractor at Mamusa and Ganyesa LMs will be starting with the construction work in 2026 for 10 Military Veterans houses. Twenty-one (21) units are currently being implemented in various areas within Mahikeng LM and are planned to be completed in the year 2027.

Eradication of mud houses

The department has eradicated 30 mud houses at various villages within Greater Taung with an additional 100 planned for the 2026/27. The Department has planned various Breaking New Grounds housing projects in other various districts as per the approved 2026/27 Business Plan. Some of these projects, especially in rural areas will be used to address the identified mud houses as and when contractors are implementing these projects. These projects are cutting across DRSM; Bojanala and Ngaka Modiri Molema districts, respectively.

2.2 Service Delivery Improvement Plan`

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Title Deed Restoration Programme	North-West citizens and legal permanent residents that are approved beneficiaries in all programmes excluding rural projects and CRU and rental units.	Number of title deeds registered	6747 title deeds to be registered	3123 title deeds transferred to homeowners
Serviced sites	Beneficiaries /Local Municipalities	Number of service sites completed	5403 sites	3778 sites serviced
Housing Units	Approved beneficiaries	Number of Housing Units Completed	3405 Housing Units to be completed	3487 Housing Units Completed
Individual Subsidies paid	Approved beneficiaries paid	Number of Individual subsidies paid to beneficiaries	150 Individual subsidies to be paid to beneficiaries	154 were paid to beneficiaries.
Subsidies disbursed through FHF	Approved beneficiaries	Number of Subsidies disbursed through FHF	44 First Home Finance applications to be approved	25 applications were approved for beneficiaries.

Batho Pele arrangements with beneficiaries (Consultation access, etc.)

Current Arrangements	Desired Arrangements	Actual Achievements
Consultation	• Informed citizenry	• 8166 consumer education conducted across the province.
Access	• Effective and efficient front / help desk at NWDC Ground Floor Office 1 and 2 from 08h00 – 16h30 (Housing Subsidy Claims) and availability of personnel at Head Office during department operational hours for all title deed • Availability of department operations at district level enquiries and processing	• Department still centralized at Head Office Only (Mafikeng), although Housing officials are assigned per district and rely on weekly/daily travelling to their respective service sites. • The department is currently looking at the options of establishing regional offices.
Courtesy	• Use of batho pele community feedback questionnaire; • Develop title deed and housing delivery satisfaction survey to circulate to community members / beneficiaries at departmental project sites; • Display of Batho Pele Principles at departmental sites; • Provision of nametags for outstanding officials.	• All calls and title deed queries directed to relevant section.
Redress	• Development of complaints and compliments framework; • Suggestion box and complaints register at departmental sites; • Provision of feedback and resolution mechanism from provincial toll free administered by the Municipal admin unit; • Liaison with ward councilors, war room and service delivery outreach.	• Departmental Complaints and Compliments framework were circulated.
Information	• Housing Consumer Education Awareness campaigns to include title deed restoration programme; • Provision of signage at NWDC and service charter at departmental sites.	• 8166 beneficiaries provided with consumer education across the province
Openness and	• Availability of the following to the public: APP, Strategic Plan, Annual Report, Service Charter and Contact list	Approved 2025/26 Annual Performance Plan available and shared with officials through the

Transp arency		departmental intranet. • Approved Strategic Plan in Place.
Service Standards	• Title deeds transferred to new and existing homeowners who are subsidised by the department.	• Title deeds transferred to correct homeowners
Value for money	• Title deed restoration programme utilized within allocated budget	• 3181 title deeds transferred to correct homeowners

Service delivery information tool

Current Arrangements	Desired Arrangements	Actual Achievement
Community Information contact sessions	To educate service recipients, community members and housing consumers on access, entitlement and regulations on housing opportunities.	Consumer education provided across the province.

Complaints mechanism

Current Arrangements	Desired Arrangements	Actual Achievement
Department Front Desk	Effective and efficient front-desk (personnel) which deals with all housing related complaints	2 offices allocated for all housing enquiries, applications and status. Offices are based at no 24 and 26 Ground Floor, NWDC Building.

2.3 Organisational environment

In the current establishment, the Department has a total of three hundred and thirty-one (331) posts, with two hundred and eighty-four (284) filled permanent and twenty-three (23) interns on contract. Since March 2025, the Department has advertised sixteen (16) posts and 3 are filled and thirteen are in advanced stages of recruitment as at March 2026.

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (including frozen posts)	Number of employees additional to the establishment
12140100 ADMINISTRATION	177	166	6	23
12140500 HOUSING NEEDS.PLANNING & RESEARCH	46	44	4	
12141000 HOUSING DEVELOPMENT	108	97	10	
Total	331	307	7	23

Overall, the report demonstrates steady progress in filling critical vacancies. The combination of posts already filled and those advancing through the recruitment process and implementation of the

approved structure, reflect the department's continued efforts to strengthen its human resource capacity in line with organizational needs.

2.4 Key policy developments and legislative changes

There were no major changes to relevant policies or legislation.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Impact Statement: Improved living conditions through the provision of integrated sustainable human settlements in the North West Province. The above-mentioned impact statement will be realized through the achievement of the following three (3) departmental outcomes:

Outcomes:

Programme 1 Outcome: Improved good governance and accountability.

The programme 1 has planned to contribute towards the achievement of the outcome "Improved good governance and accountability". The following three (3) output indicators are set to measure the extent to which the department is achieving its output. The achieved outputs will contribute towards the achievement of the Programme 1 five-year outcome target as outlined in the strategic plan through the following indicators: -

- Compliance levels with HRM legislative prescripts
- Percentage of invoices paid within 30 days
- Number of North West Housing Corporation performance reports assessed.

The department achieved two (2) indicators out of the four (3) targeted indicators. This translates to 66.7% achievement.

Programme 2 Outcome: Conducive environment for the implementation of human settlements programmes.

Programme 2 has planned to contribute towards the achievement of the outcome "Conducive environment for the implementation of human settlements programmes".

The following three (3) output indicators are set to measure the extent to which the department is achieving its output. The achieved outputs will contribute towards the achievement of the Programme 1 five-year outcome target as outlined in the strategic plan through the following indicators: -

- Number of potential beneficiaries provided with consumer education
- Percentage of investment of the total human settlements' allocation in PDAs
- Percentage of land acquired during 2014-2019 within the PDAs rezoned

Programme 2 achieved one (1) out of three (3) output indicators that were planned to be achieved. This translates to 33,3% achievement.

Programme 3 Outcome: Sustainable Human Settlements and improved quality of household life

Programme 3: Out of the nine (9) output indicators planned, three (3) were achieved whilst six (6) indicators were not achieved. This translates to 33,3% achievement and 66,7% non-achievement. The contributing factors to non-achievement of these targets is due to the following factors: -

- Delays in terms of payment of contractors due to budget shortfall.
- Poor performance by contractors
- Under-achievement as a result of some of the beneficiaries who were not approved in the First Home Finance programme.
- Non/Poor functional Municipal Planning Tribunal.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1. Programme 1: Administration

Purpose: To provide corporate support to the entire Department as well as strategic administration and political direction through the offices of the Head of Department and the Executive Authority respectively. This programme consists of the following sub-programmes: -

- 4.1.1 Office of the HOD
- 4.1.2 Financial Management
- 4.1.3 Corporate services

Purpose of the sub-programmes:

- **Office of the HOD:** To provide strategic leadership in ensuring provision of integrated and sustainable human settlements in the North West Province
- **Financial Management:** To manage the department's finances
- **Corporate services:** To oversee the provision of corporate support services

Institutional outcomes that each programme contributes.

Sub-programme	Outcome that each programme contributes to.
Office of the HOD	☐ Improved good governance and accountability ☐ Conducive environment for the implementation of human settlements programmes. ☐ Sustainable Human Settlements and improved quality of household life
Financial Management	☐ Improved good governance and accountability
Corporate Services	☐ Improved good governance and accountability

Table 2.4.4.1: Originally Tabled APP

NB: The deviation from the planned target to the actual achievement 2025/2026 is against the Q1 targets.

Programme 1: Administration

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026 until date of re-tabling	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved good governance and accountability	Reduced audit findings in the PAAP register	Percentage of post audit findings resolved	32%	0%	The Indicator relegated to the operational plan	-N/A	N/A	N/A	N/A
	HRM legislative compliance checklist	Compliance levels with HRM legislative prescripts	Level 3	0	Level 4	-	-	Not targeted for in quarter 1	N/A
	100% of compliant invoices paid within 30 days	Percentage of invoices paid within 30 days	100%	42,93%	100%	62,43%	-37,57%	The department did not have sufficient cash flow to pay all invoices due to insufficient allocation received from National department of Human Settlements.	N/A
	Performance reports	Number of performance reports received from the North West Housing Corporation for oversight monitoring	2	1	KPI revised	KPI revised	KPI revised	N/A	The KPI was revised to address the findings by the Office of the Premier and Department of Planning, Monitoring and Evaluation.
		Number of North West Housing Corporation performance reports assessed.	New	New	4	1	3	The actual achievement is for one (1) quarter prior the re-tabling of the APP. The target for Q1 was 1.	N/A

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The department has planned to contribute to the achievement of the outcome Improved good governance and accountability through the following four (4) output indicators. The output achieved will contribute towards the achievement of the above-mentioned outcome through the following indicators: -

- Compliance levels with HRM legislative prescripts
- Percentage of compliant invoices paid within 30 days.
- Number of performance reports from the North West Housing Corporation assessed

The Department has performed fairly on two output indicators. This is an average performance towards the realization of the outcome. Although the department has not fully achieved the target of the two (2) indicators, positive progress has been registered on the “Percentage of reduction of post audit findings” and “Percentage of compliant invoices paid within 30 days” indicators.

Table 2.4.4.2: Re Tabled APP

Programme 1: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons or deviation
Improve good governance and accountability	Reduced audit findings in the PAAP register	Percentage of post audit findings resolved	95%	81%	Not planned for, during 2025/26 financial year	Not planned for, during 2025/26 financial year	Not planned for, during 2025/26 financial year	Not planned for, during 2025/26 financial year
	HRM legislative compliance	Compliance levels with HRM legislative prescripts.	Level 3	Level 4	Level 4	Level 4	0	N/A
	Invoices paid within 30 days	Percentage of invoices paid within 30 days	88% 2=15 2/2)	52%	100%	74%	-26%	The department had invoices totaling more than the money at hand throughout the four quarters due to accruals because of budget cut from the prior year.
	Performance reports	Number of performance reports received from the North West Housing Corporation for oversight monitoring	4	4	4	KPI revised	KPI revised	The KPI was revised to address the finding by the Office of the Premier and Department of Planning, Monitoring and Evaluation.
	NWHC performance assessment reports	Number of North West Housing Corporation performance reports assessed.	New	New	4	4	0	N/A

Linking performance with budgets

A total budget allocation of R190 484 000 of which R186 787 000 was spent, translating into 98,1 percent while 100(99,65) percent was spent in the prior year. The unspent funds were due to vacant posts that were not filled at year end as recruitment processes were not completed, procurement processes for the purchase of assets that were not completed at year end as well as network cabling for NWDC Building.

Sub-programme expenditure

Sub-Programme Name	2025/2026			2024/2025		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the HOD	-	-	-	-	-	-
Financial Management	-	-	-	-	-	-
Corporate Services	190 484	186 787	3 697	183 303	182 664	639
Total	190 484	186 787	3 697	183 303	182 664	639

Strategy to overcome areas of under performance

The department to implement the 80%/20% approach in the appointment of contractors. 80% will focus on the current/running and blocked projects whilst 20% will focus on the new contracts.

Improvement of monitoring on payments of suppliers within 30 days.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

No standardised indicators for programme 1

4.2 Programme 2: Housing Needs, Research, Planning and Technical Services

Purpose: To research, develop policies, and plans that respond to various housing programmes

Sub-Programmes:

- Human settlements planning monitoring and evaluation
- Research and policy development
- Statutory bodies secretariat support services
- Human settlements stakeholder engagement and capacity development

Institutional outcomes that each programme contributes.

Sub-programme	Outcome that each programme contributes to.
Human settlements planning monitoring and evaluation	☐ Improved good governance and accountability ☐ Conducive environment for the implementation of human settlements programmes.
Research and policy development	☐ Improved governance and accountability ☐ Conducive environment for the implementation of human settlements programmes.
Statutory bodies secretariat support services	☐ Improved governance and accountability ☐ Conducive environment for the implementation of human settlements programmes.
Human settlements stakeholder engagement and capacity development	☐ Improved governance and accountability ☐ Sustainable Human Settlements and improved quality of household life

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The programme has achieved one (1) out of three (3) planned indicators which translates to 33,3% achievement. The output will contribute towards the achievement of the outcome.

The programme has achieved the following output indicator: -

- Number of potential beneficiaries provided with consumer education.

Table 2.4.4.1

NB: The deviation from the planned target to the actual achievement 2025/2026 is against the Q1 targets.

Programme 2: Housing Needs, Research, Planning and Technical Services									
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026 until date of re-tableting	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Conducive environment for the implementation of human settlement programmes	HSDG /ISUPG Business Plans developed	Number of Human Settlements Development Grant Business Plan produced	0	0	N/A	Not planned for during 2025/26 financial year	Not planned for, during 2025/26 financial year	Not planned for, during 2025/26 financial year	N/A
	Potential beneficiaries provided with consumer education	Number of potential beneficiaries provided with consumer education	3605	2881	8000	1962	-6083	Less than the expected potential beneficiaries attended the sessions.	N/A
	Investment of the total Human Settlements in PDAs	Percentage of investment of the total Human Settlements allocation in PDAs	65%	5%	67%	16%	-51%	The actual achievement is for one (1) quarter prior the re-tableting of the APP.	N/A
	Acquired land during 2014-2019 falling within the PDAs rezoned	Percentage of land acquired during 2014-2019 within the PDAs rezoned	0	0	12%	-	-	The target was not planned for at the time of reporting prior to the re-tableting of the APP	N/A

Table 2.4.4.2

Programme 2: Housing Needs, Research, Planning and Technical Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations
Conducive environment for the implementation of human settlement programmes	HSDG/ISUPG Business Plans developed	Number of Human Settlements Development Grant Business Plan Produced	1	1	KPI not planned for in 2025/26 financial year	KPI not planned for in 2025/26 financial year	KPI not planned for in 2025/26 financial year	KPI not planned for 2025/26 financial year
	Potential beneficiaries provided with consumer education	Number of potential beneficiaries provided with consumer education	6125	7704	8000	8166	+166	Over achievement is because of improved attendance by potential beneficiaries.
	Investment of the total Human Settlements in PDAs	Percentage of investment of the total Human Settlements allocation in PDAs	449%	68%	67%	65,92%	-1,08%	There were unfinalized negotiations regarding the transfer processes between the Department and the owner of the land through Housing Development Agency (HDA).
	Acquired land during 2014-2019 falling within the PDAs rezoned	Percentage of land acquired during 2014-2019 within the PDAs rezoned	0%	0%	12%	03%	-09%	Under-achievement is because of delayed Municipal Planning Tribunals sittings, as well as lodged objections.

Linking performance with budgets

A total budget allocation of R35 795 000 of which R35 155 000 was spent, translating into 98,2 percent while 97 percent was spent in the prior year. Under-expenditure is attributed to delays in approvals in different stages of recruitment and cost containment affected operations of this programme.

Sub-programme expenditure

Sub- Programme Name	2025/2026			2024/2025		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration: Housing Needs, Planning, Research and Technical Services	17 914	18 419	(505)	14 637	14 501	136
Policy: Housing needs and, Research and planning	2 073	2 135	(62)	2 285	1 913	372
Planning: Housing needs and, Research and planning	11 115	10 114	1 001	9 195	8 888	307
Research: Housing needs and, Research and planning	4 693	4 487	206	4 195	3 968	227
Total	35 795	35 155	640	30 312	29 270	1 042

Strategy to overcome areas of under performance

The department will continue to engage the Department of Cooperative Governance and Traditional Affairs (COGTA) to intervene in municipalities where Municipal Planning Tribunals (MPTs) have not been established as well as to monitor the functionality of already established MPTs.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

The department has not achieved the two (2) standardised indicators. The department has not done well on both the "Percentage of land acquired during 2014-2019 within the PDAs rezoned" and "Percentage of investment of the total Human Settlements allocation in PDAs".

The poor performance is due to the non/poor functionality of Municipal Planning Tribunals (MPTs).

4.3 Programme 3: Housing Development

Purpose: To provide integrated and sustainable human settlements through accelerating housing opportunities and ensure security of tenure.

Sub-Programmes:

- Housing subsidy management
- Human settlements project management: Bojanala District Municipality
- Human settlements project management: Dr. R.S.M. District Municipality
- Human settlements project management: NMMDM
- Human settlements project management: Dr. K.K. District Municipality

Institutional outcomes that each programme contributes

Sub-programme	Outcome that each programme contributes to.
Housing subsidy management	☐ Improved good governance and accountability ☐ Sustainable Human Settlements and improved quality of household life
Human settlements project management: Bojanala District Municipality	☐ Improved good governance and accountability ☐ Sustainable Human Settlements and improved quality of household life
Human settlements project management: Dr. R.S.M. District Municipality.	☐ Improved good governance and accountability ☐ Sustainable Human Settlements and improved quality of household life
Human settlements project management: NMMDM	☐ Improved good governance and accountability ☐ Sustainable Human Settlements and improved quality of household life
Human settlements project management: Dr. K.K. District Municipality	☐ Improved good governance and accountability ☐ Sustainable Human Settlements and improved quality of household life

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 3 managed to achieve five (3) out of nine (9) indicators which translate into 33,3% achievement. The non-achievement of the targets is as a result of the following factors: abandoning of sites by contractors, poor performance by contractors, contractors not prioritising registration of title deeds and delays in township proclamation.

The Directorate: SCM is monitoring the expenditure against the 40% infrastructure budget set towards Women, 10% for Youth and 5% for Persons with Disabilities. The department managed to spend 30,77% of the infrastructure budget towards Women and 19,35% towards youth and 0% towards persons with disabilities. The major challenge is the late-appointment of designated groups' contractors, namely, Persons with Disabilities.

Table 2.4.4.1

NB: The deviation from the planned target to the actual achievement 2025/2026 is against the Q1 targets.

Programme 3: Housing Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026 until date of re-tabling	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Sustainable Human Settlements and Improved Quality of Household Life	Title deeds registered	Number of new title deeds registered	0	427	KPI revised	KPI revised	KPI revised	The standardised indicator was revised by the sector.	The standardised indicator was revised by the sector.
		Number of pre-1994 title deeds registered	79	51	KPI revised	KPI revised	KPI revised	The standardised indicator was revised by the sector.	The standardised indicator was revised by the sector.
		Number of post 1994 title deeds registered	1056	501	KPI revised	KPI revised	KPI revised	The standardised indicator was revised by the sector.	The standardised indicator was revised by the sector.
		Number of post 2014 title deeds registered	861	863	KPI revised	KPI revised	KPI revised	The standardised indicator was revised by the sector.	The standardised indicator was revised by the sector.
		Number of title deeds registered	New	New	6747	573	-6174	The mother title for 249 (Stella) was misplaced by the municipality, 785 (Geluksoord) titles locked in a legal dispute with the former PMU and 54 (Boitekong Ext 8) not on the revised layout plan. The actual achievement is for one (1) quarter prior the re-tabling of the APP. The target for Q1 was 1650	The standardised indicator was revised by the sector.
	Sites serviced	Number of serviced sites delivered	8818	0	KPI revised	KPI revised	KPI revised	KPI revised	The standardised indicator was revised by the sector.

	Serviced sites completed	Number of Serviced Sites completed	New	New	5403	200	-5203	The Department experienced hindrances with regards to shared services (provision of land, decanting, resettling and relocation) with municipalities (1849 for Mbeki Sun). The actual achievement is for one (1) quarter prior the re-tableling of the APP. The target for Q1 was 1740	The standardised indicator was revised by the sector.
	Housing units constructed	Number of Breaking New Grounds (BNG) houses delivered.	1382	444	KPI revised	KPI revised	N/A	KPI revised	The standardised indicator was revised by the sector.
	Housing units completed	Number of Housing Units Completed	New	New	3555	352	-3203	Payments were made towards non-reportable milestones (Foundation, Wall plates and roof) The actual achievement is for one (1) quarter prior the re-tableling of the APP. The target for Q1 was 1104. The contractors did not prioritise completions during Q1.	The standardised indicator was revised by the sector. The target was revised to separate the Housing units and Individual subsidies because in the previous years they were reported under one indicator. This is because the Individual Subsidies and Housing are not described the same in the TIDs.
	Households that received subsidies through FLISP	Number of households that received subsidies through FLISP	36	16	KPI revised	KPI revised	KPI revised	KPI revised	The standardised indicator was revised by the sector
	Subsidies disbursed through FHF	Number of Subsidies disbursed through FHF	New	New	44	04	-40	The delay is due to minimal response from communities. The actual achievement is for one (1) quarter	The standardised indicator was revised by the sector.

								prior the re-tabling of the APP. The target for Q1 was 17.	
	Infrastructure expenditure report towards designated groups	Percentage of infrastructure spent towards designated groups	20%= Women 9%=Youth 0%=Persons With Disabilities	2,9%= Women 4,2%=Youth 0%= Persons with Disabilities	40%= Women 10%= Youth 5%= Persons with Disabilities	Women= 9,74% Youth= 5,66% Persons with Disabilities= 0%	Women= -30,26% Youth = -4,34 Persons with Disabilities -5%	The actual achievement is for one (1) quarter prior the re-tabling of the APP. The target for Q1 was 5% = Women. More payments were made towards women contractors because of their improved performance during the quarter 1.	N/A
	Informal settlements upgraded	Number of informal settlements upgraded to phase 3 of the upgrading of informal settlements Programme (UISP)	0	0	KPI revised	KPI revised	KPI revised	KPI revised	The standardised indicator was revised by the sector.
		Number of informal settlements completed in Phase 1	New	New	3	Not targeted for in quarter 1	Not targeted for in quarter 1	KPI revised	The standardised indicator was revised by the sector.
		Number of informal settlements completed in Phase 2	New	New	2	Not targeted for in quarter 1	Not targeted for in quarter 1	KPI revised	The standardised indicator was revised by the sector.
		Number of informal settlements completed in Phase 3	New	New	4	Not targeted for in quarter 1	Not targeted for in quarter 1	KPI revised	The standardised indicator was revised by the sector.

Table 2.4.4.2

Programme 3: Housing Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual target 2025/2026	**Actual Achievement 2025/2026	Deviation from planned target to actual achievement 2025/26	Reasons for deviation
Sustainable Human Settlements And improved Quality of household Life	Title Deeds registered	Number of new title deeds registered	131	992	KPI revised	KPI revised	KPI revised	The standardised indicator was revised by the sector.
		Number of pre-1994 title deeds registered	166	107	KPI revised	KPI revised	KPI revised	The standardised indicator was revised by the sector.
		Number of post 1994 title deeds registered	2579	3044	KPI revised	KPI revised	KPI revised	The standardised indicator was revised by the sector.
		Number of post 2014 title deeds registered	2136	2166	KPI revised	KPI revised	KPI revised	The standardised indicator was revised by the sector.
		Number of title deeds registered	New	New	6747	3123	-3624	Some title deeds were lodged and rejected due to the following reasons: - - township file being missing at the deeds office. - conditions not relevant to the properties, - erfs affected by the swapping of beneficiaries from one project to another at the time of allocation of houses. - property description on the draft differs from POA's. - title deeds affected by the mother title deeds.
	Sites serviced	Number of serviced sites delivered	8818	9841	KPI revised	KPI revised	KPI revised	The standardised indicator was revised by the sector.
	Serviced sites completed	Number of serviced sites completed	New	New	5403	3778	-1625	The department experienced hinderances regarding shared services (i.e. provision of land, decanting, resettling and relocation) with municipalities in quarter 1 and 2.

	Housing units constructed	Number of Breaking New Grounds (BNG) houses delivered.	3070	3189 Housing Units 136 Individual subsidies	KPI revised	KPI revised	KPI revised	The standardised indicator was revised by the sector.
	Housing units completed	Number of housing units completed.	New	New	3405	3487	+82	Over achievement is because of improved contractor performance.
		Number of individual subsidies paid to beneficiaries	New	New	150	154	+4	Over achievement is due to Q2 improved performance, which includes delivery from Q1 which was not reported because it was not planned for in Q1.
		Number of households that received subsidies through FLISP	48	35	KPI revised	KPI revised	KPI revised	The standardised indicator was revised by the sector.
		Number of subsidies disbursed through FHF	New	New	44	25	-19	Under-achievement is due to non-qualifying beneficiaries, e.g. some beneficiaries were earning more than the qualifying threshold.
	Infrastructure expenditure report towards designated groups	Percentage of Infrastructure spent towards designated groups.	31,03%= Women 9%= Youth 0%= Persons With Disabilities	25%=Women 43%=Youth 0%= Persons With Disabilities	40%= Women 10%= Youth 5%= Persons With Disabilities	30,77%= Women 19,35%= Youth 0%= Persons With Disabilities	-9,23%= Women +9,35%= Youth -5%= Persons With Disabilities	Over achievement of youth contractors is due to improved performance in Q3 and Q4. Under-achievement on women contractors is as a result poor performance and appointment of contractors with disabilities was done towards the end of the financial year hence no payment.
	Informal settlements upgraded	Number of informal settlements upgraded to phase 3 of the upgrading of informal settlements Programme (UISP)	5	0	KPI revised	KPI revised	KPI revised	The standardised indicator was revised by the sector.

		Number of informal settlements completed in Phase 1	New	New	3	2	-1	During the verification of the PoE it was identified that the pre-feasibility studies and upgrading plans of Alphane in JB Marks, were done and concluded in 2024 hence it could not be reported in 2025/26 financial year.
		Number of informal settlements completed in Phase 2	New	New	2	0	-2	During the verification of the PoE it was identified that the feasibility studies, detailed land development planning and detailed engineering infrastructure designs of both targeted informal settlements were done prior 2025/26 financial year, hence it could not be reported in 2025/26 financial year.
		Number of informal settlements completed in Phase 3	New	New	4	4	0	

Linking performance with budgets

The department was allocated a budget of R1 629 431 000 and spent R1 617 505 000. This translates to 99,3 percent in 2025/26 while 100(99,85) percent was achieved in 2024/25.

Sub-programme expenditure

Sub-Programme Name	2025/2026			2024/2025		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration: Housing Development	71 503	70 853	650	66 652	64 688	1 964
Financial Incremental	85 526	94 766	(9 240)	135 059	119 698	15 361
Incremental Intervention	982 668	1 125 936	(143 268)	1 051 671	1 146 997	(95 326)
Rural Intervention	381 179	224 111	157 068	386 687	311 847	74 840
Provincial Intervention	108 555	101 839	6 716	190 626	184 679	5 947
Total	1 629 431	1 617 505	11 926	1 830 695	1 827 909	2 786

Strategy to overcome areas of under performance

- The department has resolved to prioritise 80% of the infrastructure budget for the completion of previous' year multi-year projects and only 20% for new projects.
- The department engaged with the relevant stakeholders to agree on a seamless process that will fast track the process to ensure that committed targets are achieved
- The department will continue to strengthen project implementation and monitoring through project implementation meetings.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Function

Programme 3 managed to achieve four (2) out of seven (7) standardised indicators which translate into 28, 6% achievement.

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

The North West Housing Corporation is the public entity of the Department charged with the responsibility to become a leading real estate management and development agent of the North West provincial government, to provide and facilitate provision of housing and other buildings for the benefit of lower, middle and in some instances higher income groups within societies of the province. Performance of the entity is monitored through quarterly reporting on financial and service delivery performance. Total of R44 753 000 was allocated for transfer to the entity in 2025/26 same amount was allocated in 2024/25 and full allocations was transferred in both financial periods. A fully operational Board of Directors was in place up to end of October and a substantive Chief Executive Officer has been appointed on a five year employment contract in 2020/21. Revenue collection has been a challenge with the entity and the bulk of its allocation from the Department is spent on operational activities.

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
North West Housing Corporation	<i>Conduct feasibility studies for New Housing Projects Conclude on funding agreement for student accommodation Secure approved funding. Facilitate sale of flats units Facilitate sale of vacant stands sold (NWHC) Facilitate issuance of title deeds</i>	R44 753 000	R44 753 000	<i>Conducted feasibility studies for New Housing Projects Concluded on funding agreement for student accommodation Secured approved funding. Facilitate sale of flats units Facilitate sale of vacant stands sold (NWHC) Facilitate issuance of title deeds</i>
Housing Development Agency	Operational costs Project Implementation	R10 000 000 R 4 153 250	R8 008 064 R4 153 250	Operational costs Project Implementation

5.2. Transfer payments to all organisations other than public entities

None

The table below reflects the transfer payments made for the period 1 April 2024 to 31 March 2025

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
N/A						

The table below reflects the transfer payments which were budgeted for in the period 1 April 2025 to 31 March 2026 , but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
N/A				

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

The table below detail/s the conditional grants and earmarked funds paid by the department.

Conditional Grant 1:

Department/ Municipality to whom the grant has been transferred	None
Purpose of the grant	N/A
Expected outputs of the grant	N/A
Actual outputs achieved	N/A
Amount per amended DORA	N/A
Amount transferred (R'000)	N/A
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	N/A

6.2. Conditional grants and earmarked funds received

- The Department received a conditional grant allocation of R1 557 928 billion comprised of Human Settlements Development Grant of R 1 302 986 billion and Upgrading of Informal Settlements Grant of R 254 942 million. Total expenditure is R1 546 653 billion made up of R 1 299 274 billion HSDG and R 247 379 million for ISUPG.
- The full grant allocation budgeted for 2025/26 was received from the National Department in monthly tranche payments in line with payment schedule submitted by the Department. A total of R1 557 928 billion.

Conditional Grant 1: Human Settlements Development Grant

Department who transferred the grant	•National Department of Human Settlements
Purpose of the grant	To finance the implementation of National Housing Programs for the creation of sustainable Human Settlements for the creation of sustainable Human Settlements
Expected outputs of the grant	The department targeted to deliver 3405 housing units
Actual outputs achieved	The department managed to deliver 3487 housing units
Amount per amended DORA (R'000)	1 302 986
Amount received (R'000)	1 302 986
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	1 299 274
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	Delay in payment of claims due to budget cuts which led to contractors abandoning sites.
Measures taken to improve performance	Requesting additional funds to ensure that claims are paid on time
Monitoring mechanism by the receiving department	• Monthly and quarterly reports (delivery and financial) by regional managers

- **Conditional Grant 2: Informal settlements upgrading partnership grant**

Department who transferred the grant	•National Department of Human Settlements
Purpose of the grant	To provide funding to facilitate a programme and inclusive approach to upgrading informal settlements approach to upgrading informal settlements
Expected outputs of the grant	The department targeted to achieve 5403 serviced sites
Actual outputs achieved	The department managed to service 3778 sites
Amount per amended DORA (R'000)	254 942
Amount received (R'000)	254 942
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	247 379
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	•Monthly and quarterly reports (delivery and financial) by regional managers

7. DONOR FUNDS

7.1. Donor Funds Received

Donor Fund 2024/25:

Name of donor	None
Full amount of the funding	N/A
Period of the commitment	N/A
Purpose of the funding	N/A
Expected outputs	N/A
Actual outputs achieved	N/A
Amount received (R'000)	N/A
Amount spent by the department (R'000)	N/A
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	N/A

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

- Progress made on implementing the capital, investment and asset management plan.

The department has managed to spend 99,3% of its capital budget on its infrastructure projects.

- Infrastructure projects which have been completed are in the table below

Project		2025/26 Performance vs targets					
		Sites Planned	Sites Compl	Units Planned	Units Compl	Budget	Expenditure
2016/17 Kgetleng Rivier Redirile Ext 3	B16040037/2	0	0	24	57	R5 253 480.00	R5 048 011.25
2016/17 Ramotshere Moiloa Lekubu	B16040091/2	0	0	10	150	R2 174 050.00	R29 763 642.00
Tswaing Sione 500	B18040006/2	0	0	1	13	R217 405.00	R2 509 901.75
Rustenburg - Rustenburg Villages 1050	B19040023/10	0	0	10	10	R1 243 215.00	R1 243 214.99
Rustenburg - Rustenburg Villages 1050	B19040023/11	0	0	5	5	R654 979.72	R654 979.72
Rustenburg - Rustenburg Villages 1050	B19040023/15	0	0	11	25	R2 391 455.00	R2 288 480.28
Rustenburg - Rustenburg Villages 1050	B19040023/16	0	0	11	25	R2 391 455.00	R2 998 604.16
Rustenburg - Rustenburg Villages 1050	B19040023/3	0	0	11	9	R2 391 455.00	R2 008 780.59
Rustenburg - Rustenburg Villages 1050	B19040023/4	0	0	5	10	R1 087 025.00	R2 101 935.60
Rustenburg - Rustenburg Villages 1050	B19040023/7	0	0	3	13	R499 590.00	R2 588 724.45
2021/22 Rustenburg Bokamoso	B20030002/2	0	0	10	150	R2 262 950.00	R18 583 893.65
2021/22 Rustenburg Bokamoso	B20030002/3	0	0	57	263	R11 598 645.00	R39 263 655.32
Tswaing Kopela700 ,manamolela300,rakgwedi500	B20040061/3	0	0	20	1	R4 348 100.00	R3 085 287.30
Ramotshere Moiloa Venture ,supingstad	B20040066/3	0	0	16	15	R3 478 480.00	R991 069.55
Mafikeng Villages Phase 2	B21010011/18	0	0	5	19	R845 950.00	R666 615.00
Mafikeng Villages Phase 2	B21010011/9	0	0	5	4	R845 950.00	R461 836.00
Matlosana Military Veterans	B23040052/1	0	0	8	10	R2 989 952.00	R3 878 895.50
Matlosana Orkney Ext 2	B23040056/1	110	200	0	0	R6 280 470.00	R15 904 200.00

Reasons for material variance

None

- Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed,

RUNNING PROJECTS			PLANNED									
SUMMARY OCTOBER 2024			SUMMARY APRIL 2025		2024/25		2025/26		2026/27		2027/28	
REGION	OUTSTANDING TARGETS (VARIOUS MILESTONES)	BALANCE			Planned Target	Planned Budget	Planned Target	Planned Budget	Planned Target	Planned Budget	Planned Target	Planned Budget
Dr Ruth Segomotsi Mompoti	1896	R188,377,134.65	573	R70,922,659.76	209	R 27,405,939.56	150	R32,766,550.00	190	R41,341,850.00	160	R34,817,700.00
Bojanala	1263	R283,603,121.38	1520	R196,686,191.81	146	R 24,675,046.90	79	R17,770,760.00	90	R20,149,800.00	115	R25,648,725.00
Ngaka Modiri Molema	904	R83,241,927.15	1029	R297,443,198.90	109	R 18,035,640.00	84	R17,236,413.00	100	R20,462,740.00	250	R52,557,210.00
Dr Kenneth Kaunda	1488	R259,952,833.57	971	R180,199,038.77	207	R 29,211,084.54	63	R12,785,760.00	40	R8,534,750.00	62	R13,754,080.00
	5551	R815,175,016.75	4093	R745,251,089.24	671	R 99,327,711.00	376	R80,559,483.00	420	R90,489,140.00	587	R126,777,715.00

- Plans to close down or down-grade any current facilities,

None

- Progress made on the maintenance of infrastructure

None

- Developments relating to the above that are expected to impact on the department's current expenditure.

N/A

- Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft

None

- Measures taken to ensure that the department's asset register remained up-to-date during the period under review

Asset management unit does asset verification on quarterly basis to ensure that department's asset register remains up to date.

- The current state of the department's capital assets, for example what percentage is in good, fair or bad condition

None

- Major maintenance projects that have been undertaken during the period under review

None

- Progress made in addressing the maintenance backlog during the period under review, for example, has the backlog grown or become smaller? Is the rate of progress according to plan? If not why not, and what measures were taken to keep on track

None

Infrastructure projects	2025/2026			2024/2025		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets						
Existing infrastructure assets						
– Upgrades and additions						
– Rehabilitation, renovations and refurbishments						
– Maintenance and repairs						
Infrastructure transfer						
– Current						
– Capital	1 557 928	1 546 653	11 275	1 764 043	1 763 221	822
Total	1 557 928	1 546 653	11 275	1 764 043	1 763 221	822

PART

C

GOVERNANCE

1. INTRODUCTION

Commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the department has good governance structures in place to effectively, efficiently and economically utilize the state resources, which is funded by the tax payer.

2. RISK MANAGEMENT

Risk, Ethics and Fraud Prevention Policies and Strategies

The Risk Management unit reviewed and updated all Risk, Ethics Management and Fraud Prevention literature.

Review comments were requested from the following Stakeholders: -

- Senior Managers,
 - Departmental Oversight Policy and Plans Committee,
 - Provincial Risk Management Support,
 - Risk, Ethics Management and Fraud Prevention Committee Members.
- All literature were updated with review comments received from the above-mentioned stakeholders.
 - The updated literature was presented to the Risk, Ethics and Fraud Prevention Committee for their final review and recommendation.
 - The Committee Members recommended all literature, and the Head of the Department approved them.
 - The Following are the approved Policies, Plans and Strategies
 - Risk Management Policy,
 - Risk Management Strategy and plan,
 - Risk, Ethics and Fraud Prevention Committee Charter,
 - Fraud Prevention policy,
 - Fraud Prevention Strategy and plan,
 - Whistle blowing policy,
 - Ethics Strategy
 - Risk Appetite Framework
 - Risk Champion Charter

Risk Management Committee: -

The Accounting Officer has approved the appointment of the Risk, Ethics Management and Fraud Prevention Committee which is responsible for conducting oversight into the implementation of the risk management process in the Department.

The appointed Risk, Ethics Management and Fraud Prevention Committee consists of Internal and External Members to improve independence and objectivity in their oversight roles.

The appointed External Members include the following: -

- Chairperson,
- Deputy Chairperson, and
- An additional Member

The appointed Internal Members are all Chief Directorate of the Department, as they are the Risk Owners within their directorates.

The key responsibilities of the appointed Risk, Ethics Management and Fraud Prevention Committee include: -

- Review and recommendation of the Risk, Ethics Management and Fraud Prevention policies, strategies, plans, reports and registers.
- Play oversight in the implementation of the risk management processes within the Department and make recommendations to improve the processes and systems in order to ensure effectiveness and efficiencies of systems.

Departmental Risk Assessment

The Department conducts an annual strategic and operational risk assessments as per the approved Risk Management strategy and plan.

The risk assessment exercise is done together with the Strategic planning review session of the Department. Senior Managers review the set outcomes and input indicators and identify strategic and operational risks that can hamper the achievement of the set outcomes.

The strategic, operational risk registers & Ethics and Fraud Prevention risk registers were reviewed and updated with relevant identified risk, the risks identified were also aligned to the root cause and the treatment plans.

The updated risk registers were presented to Senior Managers and the Risk Management Committee for review and updated. The updated risk registers were recommended by the appointed Committee Members and approved by the Accounting Officer.

Operational, ICT, Fraud and Ethics Risk Assessment: -

Risk Management unit facilitate the risk assessment process with all directorates within the Department. Middle Management and lower officials are responsible for the identification of the operational risks.

Risk assessment includes the following: -

- Identify risks which are inclusive of new emerging risk,
- Measure the identified risks in terms of likelihood and impact,
- Develop Control Measures to mitigate the identified risks
- Set key dates for the implementation of the treatment plans and,
- Quarterly follow –up on the implementation of the agreed treatment plans.

Monitoring of the treatment plans: -

On a quarterly basis Programme Managers reported on the implementation of the treatment plans/Control Measures. The implementation of the Control Measures assists in the mitigation of the identified risks to an acceptable level.

Risk Management unit monitored the implementation of the Control Measures on a quarterly basis. The Risk Owner re-rates the risks after the implementation of the treatment plans in order to determine if risks were within the tolerance level and set appetite.

Risk, Ethics Management and Fraud Prevention Committee sittings: -

The Risk Management unit facilitated the setting of the following scheduled quarterly Meetings on the following dates: -

- 17 July 2025
- 21 October 2025
- 24 March 2026
- 09 April 2026

Risk, Ethics Management and Fraud Prevention Reporting: -

Risk Management unit has reported on the status of the implementation of the approved plans on a quarterly basis to the following stakeholders: -

- The Risk, Ethics Management and Fraud Prevention Committee,
- The Head of the Department,
- Provincial Risk Management Support unit,
- Provincial Internal Audit Committee.

The Committee Members provided oversight into the reported information and made recommendations which resulted in the improvement of systems.

Progress made in the risk management unit: -

- Senior Managers assessed the Departmental risk management maturity and develop a plan of improvement.
- Quarterly reporting was done by Senior Managers on the progress in the implementation of the agreed-upon treatment plans as a measure to mitigate identified risks,
- Risk Management formed part of the Departmental Management Committee agenda item in order to report on progress made on Risk Management, Ethics Management and Fraud prevention and challenges.
- Risk Management function forms part of the Senior Managers Key performance areas for accountability and responsibility.

Risk Management Challenge:

- The Risk unit is not fully capacitated with adequate human resources, as only three (3) officials are working in the unit and they are responsible for Ethics, Risk Management and Fraud Prevention.
- In-effective implementation of the treatment plans by Senior Managers.

Training and Development of Officials

- The unit prepared a questionnaire covering Risk, Ethics Management and Fraud prevention issues as form of creating awareness and capacitation.
- The questionnaire was submitted to all officials within all Departmental Directorate.
- Officials were given time to submit the issued questionnaires with their individual comments in order for the Risk Management unit to get feedback on their understanding on the subjects.
- The comments were used by the unit to determine gaps in their level of knowledge to Risk, Ethics Management and Fraud Prevention.

3. FRAUD AND CORRUPTION

- The department has an approved fraud prevention strategy and a plan.
- The plan is implemented on a quarterly basis in order to ensure that adequate preventative and detective measures are put in place in order to mitigate the identified fraud risks.
- The Department has an approved Whistle blowing policy. The officials of the Department and the communities are encouraged to report all allegations of fraud and corrupt practices using the National hotline.
- The Department uses platforms like Thuntsha Lerole to conduct awareness and educating the Public and Communities on types of fraud and corruption and how to report those allegations.
- The Risk Management unit conducted quarterly telephonic enquiries at the Office of the Premier and Public Service Commission on any reported allegations from the National Hotline.
- The department has no reported cases of allegations of fraud and corrupt activities.

4. MINIMISING CONFLICT OF INTEREST

- The Department has an Ethics Strategy which is approved by the Head of the Department.
- According to the approved strategy all Senior Managers, Middle Management, other designated officials within the Supply Chain Management and Finance unit declared their financial interest and assets.
- In the year under review all designated Officials disclosed their financial interest.
- After the disclosure period the ethics unit verified all submitted disclosures and found that only 1 (One) Senior Manager had conflict of interest in the submitted disclosure.
- A report on the conflict of interest was prepared and submitted to the office of the Head of the Department and the Executive Authority for action.
- Formal warning letters were written to the affected official who had conflict of interest through the office of the Head of the Department.
- a detailed report on the outcome of the disclosure of financial interest by designated officials was prepared, signed off by the Head of the Department and it was forwarded to the Public Service Commission.

5. CODE OF CONDUCT

- The Department uses the Public Service Regulation Code of Conduct.
- Yearly training on the Code of Conduct is conducted to all officials within the Department. for the period under review training for officials was done in the second quarter of the new financial

year.

- It is the responsibility of each Manager to ensure that their staff comply to the Code of Conduct. If non-compliance is found, Managers are required to prepare formal letter to Labour Relations unit in order to report about the matter.
- The Labour Relations unit then conduct its own investigation and prepare a report to the Accounting Officer within a reasonable time.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

None

7. PORTFOLIO COMMITTEES

Dates of the meeting	Matters raised by the Portfolio Committee	Department Response
12/08/2025	• Submit responses for the requests made from previous meeting • Submit reports on the following: ○ Number of projects for implementation ○ Payment of service providers ○ Consequence management in terms of late payment of suppliers ○ Title deeds backlog ○ Housing backlog for the past 10 years	Situational analysis was updated. Reports were submitted
17/10/2025	Responses on the following issues: - • Payment of suppliers within 30 days • Factors that hinder the upgrading of informal settlements • Irregular expenditure investigations • Consequence management on officials who incurred irregular expenditure.	Responses were submitted
29/03/2026	• What are plans to mitigate the adverse soil conditions? • Provide a Deeds Register for properties falling across NW border parcels. • Why are we not having Public Private Partnerships (PPPs)? • What is the department position to use AI in some of its operations? • What is the status of NWHC Amendment Bill?	Responses were submitted in writing
25/03/2026	• How is the department mitigating the risk identified that contributed to under-achievement on title deeds? • What are plans to address accruals and payables? • Why did the department over achieve on HSDG and under expenditure on ISUPG?	Responses were submitted in writing

	How far is the department with the proposals to address the First Home Finance (FHF)?	
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8. SCOPA RESOLUTIONS (25/11/2025)

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1.	Irregular expenditure	Is the department going to use pre-qualified database? How many employees have be subjected to consequence management regarding the irregular expenditure? What are preventative measures on irregular expenditure? Submit a report on UIF&W expenditure.	Report submitted	Yes
2.	MI	How was the MI on King & Associates resolved? What are King & Associates counter claims? How much was the loss and how much was recovered?	Copy of the sourcing strategy submitted	Yes
3.	PAAP	When will the remaining PAAP issues be resolved?	Investigation process submitted	Yes
4.	Budget challenges	When does the department anticipate to get out of budget challenges?		
5.	Blocked	Submit a report on blocked projects.		

		Has the department identified officials who contributed towards blocked projects?		
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9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Strategic planning and performance management Specific information systems were not established to enable the monitoring of progress made towards achieving targets, core objectives and service delivery, as required by public service regulation 25(1)(e)(i) and (iii).	2021-22	The Department has established a clean audit committee with a sole mandate of verifying the reported information and ensuring that the reported achievements are supported by adequate portfolio of evidence.
Expenditure management The Department incurred a cumulative irregular expenditure amounting to R 8 349 410 941.54 as at 31 March 2026. The increased in irregular expenditure arose from prior year contracts that the Auditor General declared irregular. As the sourcing strategy and the use of the panel of contractors employed did not comply with Section 217 of the Constitution.	2021-22	To address this, the Department has discontinued the use of the panel of contractors and has resolved to go through a competitive bidding process for all infrastructure projects in the 2025/26 Financial Year.
Procurement and contract management Goods and services with a transaction value above R1 000 000 were procured without inviting competitive bids and deviations were approved by the accounting officer, although it was practical to invite competitive bids, contrary to treasury regulation 16A6.1 and paragraph 3.3.1 of National Treasury Instruction Note 2 of 2021-22. Similar non-compliance was also reported in the prior year.	2021-22	The use of a panel and its associated sourcing strategy employed by the Department did not comply with Section 217 of the Constitution. To address this, the Department has discontinued the use of the panel and has resolved to go through a competitive bidding process for all infrastructure projects in the 25/6 Financial Year.
Consequence management I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into irregular expenditure were not performed.	2021-22	Loss control committee has been established to investigate irregular and recommend to the Accounting Office on the action to be taken against the officials who incurred irregular expenditure.

10. INTERNAL CONTROL UNIT

Internal control function is currently operating at 75% staff capacity, with only one vacant position. Main work performed included:

- Developing the post-audit action plans and monitoring the implementation
- Facilitating audits performed by both the Auditor-General and Provincial Internal Audit
- Identification of unauthorised, irregular, and fruitless and wasteful expenditure through post-verification of payment vouchers
- Reporting on progress registered on the implementation of post audit action plans
- Conducting pre and post audit on procurement made by the Department
- Verification of project related payment vouchers prior to processing.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the internal audit

Purpose and mandate

Provincial Internal Audit (PIA) helps the Department accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

Treasury Regulation (TR) 3.2 read with sections 38(1)(a)(ii) and 76(4)(d) of the Public Finance Management Act, Act No 1 of 1999 (PFMA) mandates PIA to assist the accounting officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement.

PIA reports functionally to the Provincial Audit Committee (AC) and administratively to the Accounting Officer of the Provincial Treasury and functions in compliance with the Internal Audit Charter endorsed by the Accounting Officer of the Provincial Treasury and approved by the AC.

Vision and strategy

To be a trusted strategic advisor to the Department of Human Settlements enhancing the public service through insightful, forward-thinking internal audit assurance and advice. The internal audit strategy is aligned to support Departmental strategies.

Charter, methodology and internal audit plans

The internal audit charter, rolling 3-year strategic internal audit plan and annual plan for the first year of the rolling 3-year internal audit plan were reviewed and approved by the AC as prescribed by Treasury Regulation 3.2.7(a)-(c).

Independence and objectivity

Through the functional reporting line established by the Internal Audit and Audit Committee Charters, PIA achieves organisational independence and has operated freely in exercising its independence from the Department. Internal audit services were also performed with objectivity as required by the Internal Audit Charter and the Global Internal Audit Standards (Standards) set by the Institute of Internal Auditors.

Internal audit modality

PIA is fully in-sourced (no consultants utilised) and was set up as a shared internal audit function of the North West Provincial Administration under sections 38(1) (a) (ii) and 76 of the PFMA and paragraph 3.2.3 of the Treasury Regulations.

Staffing

PIA has the collective knowledge, skills, and experience needed to perform its responsibilities. The function also has extensive training and development plans, and internal audit staff are fully supported to obtain professional certification.

The departmental audit team has an approved structure of five (5) internal audit staff members. No positions were vacant during the period under review.

Quality assurance and improvement program

A Quality Assurance and Improvement Program with continuous internal assessment is in place. Furthermore, PIA also underwent the prescribed five (5) yearly external independent quality assurance assessment. The external assessment was concluded in December 2024. The assessment outcomes were, generally conforms and generally effective. This is the highest ratings that can be achieved, which means that PIA has a charter, policies, and processes, and the execution and results of these are judged to be in conformance with the Standards and effective. The assessment also considered feedback from key stakeholders on the performance and value-add of PIA.

Stakeholder relationships

PIA maintains relationships with various stakeholders. This includes the AC, oversight functions, management of the Department, the Provincial Treasury and other internal as well as external

assurance providers. For the 2025/26 financial year a specific strategy had been determined to enhance the management of stakeholder interaction and expectations.

Value add

The outcome of the independent external quality assurance assessment indicated that there is an appreciation from stakeholders of the contribution and value that PIA adds. PIA continuously reflect on its efficient and effective functioning and therefore at all times seek to improve the quality of the service that it renders.

Limitations

There were no limitations not already mentioned elsewhere (if applicable) that impacted the optimal performance of internal audit.

Specify a summary of audit work done**Planned and completed audits, roll-overs and ad-hoc projects**

For the period under review, the approved annual internal audit plan for the Department consisted of fourteen (14) assurance and four (4) advisory assignments planned for execution. Two assurance assignments were rolled over to the 2026/27 annual audit plan. The assignments rolled over were completed up to execution stage. In addition seven (7) ad-hoc assignment that relate to the pre-award audit of supply chain management processes followed for bids with a value in excess of R10 million were performed.

Status of audit findings addressed

The Office reported to the AC that the status of implementation of the Auditor-General South Africa (AGSA) action plans, as at 31 March 2026, was seventy-eight percent (78%) and internal audit action plans sixty percent (60%). Based on follow-up audits performed by PIA, the implementation status of AGSA action plans at the time of audit was fifty-seven percent (57%), while that of internal audit action plans was thirteen percent (13%).

Key activities and objectives of the audit committee**Purpose and mandate**

Refer to Part 1 of the Audit Committee Report.

Independence

Refer to Part 1 of the Audit Committee Report.

Protecting the independence of the internal audit function

The AC has reviewed the organisational positioning, and all aspects related to the independence of PIA, including safeguards in place to protect the independence of internal auditors and to protect PIA from threats and victimisation. Safeguards include the Internal Audit and Audit Committee Charters as well as the functional reporting line of PIA to the AC. The AC confirms that there were no instances during the period under review, where the AC was required to protect internal auditors.

Performance against statutory duties

Refer to Part 1 of the Audit Committee Report.

Composition of the audit committee

Refer to Part 2 of the Audit Committee Report.

Meeting attendance

Refer to Part 2 of the Audit Committee Report.

Combined assurance

Refer to Part 3 of the Audit Committee Report.

Resolution of audit committee recommendations

Refer to Part 3 of the Audit Committee Report.

Audit committee performance evaluation

The AC has conducted an annual evaluation of its own performance and effectiveness for the period under review. The evaluation comprised of a self-evaluation and an evaluation performed by the accounting officers of the departments. The evaluation outcomes were very positive.

Remuneration of audit committee members

Rates

Chairperson of the Provincial Audit Committee:	R2 557 per hour
Chairperson of the Cluster Audit Committee:	R2 307 per hour
Cluster Audit Committee Member:	R 2 007 per hour

The remuneration paid to audit committee members has been determined through the application of Treasury Regulation 3.1.6.

Remuneration of audit committee members who worked or are working for an organ of state

For the period under review no audit committee member worked for an organ of state.

Total audit committee expenditure for the reporting period.

The total Audit Committee expenditure for the Governance Cluster AC for the period under review amounted to R1 105 546. This Cluster AC provides AC oversight over four (4) departments. The average AC cost per department in the Cluster is R276 386.

Attendance of audit committee meetings by audit committee members

The table below discloses relevant information on the audit committee members

Name	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 2025/26	Has the AC member declared private and business interests in every meeting?	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End Date					
Central Audit Committee									
Ms P. Mzizi Chairperson	CA(SA)	SAICA	14 February 2022	28 February 2027	6	Yes	No	4	2
Mr P. Tjie	B.Com, PMD	IOD(SA)	14 February 2022	28 February 2027	6	Yes	No	-	2
Mr. L. Ally	CA(SA)	SAICA	14 February 2022	28 February 2027	6	Yes	No	1	1
Cluster Audit Committee									
Mr P. Tjie Chairperson	B.Com, PMD	IOD(SA)	14 February 2022	28 February 2027	7	Yes	No	-	2
Ms H Masedi	M.Com	IODSA, SAIGA	14 February 2022	28 February 2027	7	Yes	No	2	-
Mr M. Terheyden	CA(SA)	SAICA	14 February 2022	28 February 2027	7	Yes	No	-	-
Mr T Boltman	CIA, CGAP, CCSA, Postgraduate Diploma in Internal Auditing, Certificate in Forensic Examination	CIAGOL, IIASA, ACFE, IRMSA	14 February 2022	28 February 2027	7	Yes	No	6	1

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2026.

Part 1: Audit Committee Reflections – 2025/26

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1) (a) (ii) of the Public Finance Management Act, 1999 and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted the Audit Committee Charter as its appropriate formal terms of reference, has regulated its affairs in compliance with this charter and has discharged its responsibilities as contained therein. The Audit Committee has functioned without hindrance or limitations throughout the reporting period.

Part 2: Audit Committee Composition and Meeting Attendance

The Cluster Audit Committee consists of four external members. The committee is properly constituted and independent, and has a diverse and appropriate mix of qualifications, skills, and experience.

The Audit Committee meets at least six (6) times per annum as the Central Audit Committee and six (6) times per annum as the Cluster Audit Committee as per its approved terms of reference. During the current year six (6) meetings were held by the Central Audit Committee, and seven (7) meetings were held by the Cluster Audit Committee.

Part 3: Audit Committee Focus Areas

Effectiveness of the internal control systems

In line with the Public Finance Management Act, 1999, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by evaluating internal controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The accounting officer retains responsibility for implementing such recommendations as per Treasury Regulation 3.1.12.

From the various reports of the Internal Auditors and the audit report of the Auditor-General South Africa (AGSA) it was noted that matters were reported indicating deficiencies in the system of internal controls in areas pertaining to reporting on programme performance information and compliance with laws and regulations.

Through our analysis of audit reports and engagement with the Department we can report that the system on internal control for the period under review was adequate and effective except for the above mentioned.

The Audit Committee has also discussed with the department, the implementation of all internal and external audit action plans agreed upon. Based on our interaction with the department we conclude that the action plan management system has not been fully implemented, both adequately and effectively to address internal and external audit findings and the Audit Committee and Internal Audit have recommended specific improvements in this regard.

The Audit Committee remains concerned with the progress in the finalisation of investigations into prior year irregular and fruitless and wasteful expenditure. The Department should accelerate implementation of the applicable National Treasury frameworks and ensure that confirmed transgressions result in timely corrective and consequence management.

Effectiveness of risk management

Based on the quarterly audit committee reviews, the departmental risk and fraud management system is not adequate and effective.

In-Year Management and Quarterly Reporting

The quality of the performance reporting is a concern to the Audit Committee. The Audit Committee has engaged with management to remedy shortcomings relating to reports on performance against predetermined objectives, particularly those surrounding the accurate and reliable reporting of performance information, quarter on quarter and in the annual performance report.

Combined Assurance

The responsibility to oversee combined assurance was delegated to the Audit Committee in terms of the Charter. Combined assurance is in its implementation phase. The Committee continues to commit to working with management to further improve this area towards a fully integrated and streamlined assurance provision across all lines of assurance.

Evaluation of the Financial Statements and Performance Information

The committee evaluated the Annual Financial Statements (AFS) and the Annual Performance Report (APR) for the year ended 31 March 2026 and duly recommended them for the Accounting Officer's approval, subject to the corrections having been made prior to being submitted to the AGSA for audit. The Audit Committee has discussed the external audit outcomes to be included in the annual report with the AGSA and the Accounting Officer.

Compliance with laws and regulations

The Audit Committee remains concerned with the status of compliance with laws and regulations. If the department does not implement an adequate and effective compliance framework and system, non-compliance and irregular expenditure will continue to occur, as indicative by the reports provided by the Internal Audit during the past financial year and the AGSA in the year-end audit, highlighting concerning instances of non-compliance, particularly in the area of SCM.

Internal Audit

The accounting officer is obliged, in terms of the Public Finance Management Act, 1999, to ensure that the department has a system of internal audit under the control and direction of the Audit Committee. The Audit Committee is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review.

The Audit Committee also notes that the deficiencies in the risk management system mentioned above, impact on the implementation of the risk-based audit approach.

The Audit Committee is satisfied that the internal audit function maintains an effective internal quality assurance programme that covers all aspects of the internal audit activity and that as determined during the external quality assessment review concluded in December 2024, that a “generally conforms rating” for conformance with the mandatory elements of the IPPF and “generally effective rating” (core measurement from 2025 which will affect overall rating from that year as per the Global Internal Audit Standards (GIAS)) can be applied to the internal audit work.

Auditor General South Africa

The Audit Committee met with AGSA and considered the audit approach, reported findings, management responses and the final audit outcome.

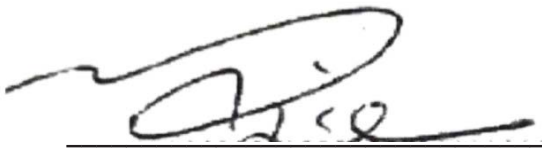
The Audit Committee is not aware of any unresolved issues with respect to the current audit.

The Audit Committee concurs with the Auditor General South Africa's opinion on the annual financial statements.

General

We would like to express our appreciation to the Executive Authority, the Accounting Officer for her leadership and support, the AGSA and to Internal Audit and management for their commitment.

Signed on behalf of the Cluster Audit Committee by

A handwritten signature in black ink, appearing to read 'M.P. Tjie', is written over a horizontal line.

M.P. Tjie (Mr)

Chairperson of the Audit Committee

Department of Human Settlements

Date: 11 August 2026

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

14. The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	N/A
Developing and implementing a preferential procurement policy?	Yes	For all procurement above R30 000 to R50m preference point system of 80/20 is applied where 80 is for price and 20 for BBBEE points and 90/10 for procurement above R50m
Determining qualification criteria for the sale of state-owned enterprises?	No	N/A
Developing criteria for entering into partnerships with the private sector?	No	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	N/A

PART D

HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

2. OVERVIEW OF HUMAN RESOURCES

The Organizational Structure of the Department was approved on the 14th of August 2025 by the Minister of Public Service and Administration and endorsed by the Executing Authority on the 09th December 2025 for implementation. The Structure has 309 posts with a costed a total of R170 693 464 at the time of approval. The following are the proposed Programmes and number of posts;

- Programme 1: Administration - 152 posts
- Programme 2: Human Settlements Needs Research and Stakeholder Engagement - 28 posts
- Programme 3: Human Settlements Development – 118 posts
- Programme 4: Human Settlements Planning and Technical Services – 11 posts

The Structure will be implemented in phases. Currently the Human Resource Directorate is busy in implementing matching and placing and assessing the capacity of the structure versus the available resources (financial and human resources). Considering the expected budget relinquished due to natural attrition, all vacant posts will be filled based on the available budget preference being given to the core programs of the Department.

Current Capacity of the Department

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (including frozen posts)	Number of employees additional to the establishment
12140100 ADMINISTRATION	177	166	6	23
12140500 HOUSING NEEDS, PLANNING & RESEARCH	46	44	4	
12141000 HOUSING DEVELOPMENT	108	97	10	
Total	331	307	7	23

The Department have a total of three hundred and thirty-one (331) posts in the existing staff establishment, with two hundred and eighty-four (284) filled permanent and twenty-three (23) interns on contract, 13 unfunded posts and 10 funded posts on the staff establishment (PERSAL system). The Department have advertised Sixteen posts in from March 2025 to January 2026, three are filled and thirteen (13) are in the advanced stage of recruitment. . The combination of posts already filled and advertised reflects continued efforts to strengthen the human resource capacity in line with organizational needs.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2025 and 31 March 2026

Programme	Total expenditure	Personnel expenditure	Training expenditure	Professional and special services expenditure	Personnel expenditure as a % of total expenditure	Average personnel cost per employee
12140100 ADMINISTRATION	R186 787 000,00	R86 578 000,00	R366 000,00	R102 000,00	5	R521 554,00
12140500 HOUSING NEEDS, PLANNING & RESEARCH	R35 155 000,00	R30 424 000,00		R255 000,00	2	R 691 455,00
12141000 HOUSING DEVELOPMENT	R1 617 505 000,00	R56 376 000,00		R4 464 000,00	3	R 581 196,00
Total	R1 839 447 000,00	R173 378 000,00	R366 000,00	R4 821 000,00	9	R 564 749,00

Table 3.1.2 Personnel costs by salary band for the period 1 April 2025 and 31 March 2026

Salary band	Personnel expenditure	% of total personnel cost	No. of Employees	Average personnel cost per employee
Lower skilled (Levels 1-2)	R2,783,409.98	2	11	R 253,037.00
Skilled (Levels 3-5)	R27,544,557.29	15	77	R 357,722.00
Highly skilled production (Levels 6-8)	R57,978,357.07	31	128	R 452,956.00
Highly skilled supervision (Levels 9-12)	R58,639,961.14	31	72	R 814,444.00
Senior and Top Management (Level 13-16)	R24,899,943.15	13	19	R 1,310,523.00
Non-Permanent Worker		0		R 0.00
Total	R171,846,228.63	92	307	R 559,760.00

Table 3.1.3 Salaries, Overtime, Homeowners Allowance and Medical Aid by programme for the period 1 April 2025 and 31 March 2026

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
12140100 ADMINISTRATION	R 59,777,253.37	70	R 766,087.44	1	R 2,669,085.44	3	R 5,502,955.02	7
12140500 HOUSING NEEDS. PLANNING & RESEARCH	R 21,571,291.13	71		0	R 607,920.55	2	R 1,518,403.29	5
12141000 HOUSING DEVELOPMENT	R 39,615,836.46	70	R 17,377.41	0	R 1,907,202.00	3	R 3,844,279.79	7
Total	R 120,964,380.96	70	R 783,464.85	1	R 5,184,207.99	3	R 10,865,638.10	6

Table 3.1.4 Salaries, Overtime, Homeowners Allowance and Medical Aid by salary band for the period 1 April 2025 to 31 March 2026

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	R 1,657,404.52	60		0	R 238,662.00	9	R 532,138.00	19
Skilled (Levels 3-5)	R 17,805,605.50	65	R 348,013.29	1	R 1,784,297.44	7	R 3,823,347.90	14
Highly skilled production (Levels 6-8)	R 42,024,003.12	73	R 296,078.76	1	R 2,257,310.55	4	R 4,470,310.00	8
Highly skilled supervision (Levels 9-12)	R 42,435,053.13	72	R 139,372.80	0	R 802,706.00	1	R 1,912,932.76	3
Senior and Top Management (Level 13-16)	R 17,042,314.69	68		0	R 101,232.00	0	R 126,909.44	1
Non-Permanent Worker		0		0		0		0
Total	R 120,964,380.96	70	R 783,464.85	1	R 5,184,207.99	3	R 10,865,638.10	6

3.2 Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2026

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (including frozen posts)	Number of employees additional to the establishment
12140100 ADMINISTRATION	177	166	6	23
12140500 HOUSING NEEDS.PLANNING & RESEARCH	46	44	4	
12141000 HOUSING DEVELOPMENT	108	97	10	
Total	331	307	7	23

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2026

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (including frozen posts)	Number of employees additional to the establishment
Lower skilled (Levels 1-2)	17	17	0	
Skilled (Levels 3-5)	109	104	5	23
Highly skilled production (Levels 6-8)	102	95	7	
Highly skilled supervision (Levels 9-12)	83	72	13	
MEC & Senior management (Levels 13-16)	20	19	5	
Total	331	307	7	23

Table 3.2.3 Employment and Vacancies by critical occupation, 31 March 2026

Critical Occupations	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (including frozen posts)	Number of employees additional to the establishment
ACCOUNT CLERK(PUBLIC RELATIONS/COMMUNICATION)	1	1	0	
ADMINISTRATION CLERKS	43	39	9	23
ADMINISTRATION OFFICER	17	13	24	
CHIEF FINANCIAL OFFICER	1	0	100	
CIVIL ENGINEERING TECHNICIAN	3	3	0	
COMMUNICATION AND MARKETING MANAGER	1	1	0	
COMPUTER NETWORK TECHNICIAN	2	2	0	
CONSTRUCTION PROJECT MANAGER	7	7	0	
FINANCE CLERK	6	6	0	
FINANCE MANAGER	1	1	0	
HEAD OF PROVINCIAL DEPARTMENT	1	1	0	
HUMAN RESOURCE CLERK	6	6	0	
HUMAN RESOURCE MANAGER	1	1	0	
INTERNAL AUDIT MANAGER	1	0	100	
LEGAL RELATED MANAGER	3	3	0	
MESSENGERS	11	11	0	
MIDDLE MANAGER: ADMINISTRATIVE RELATED	1	1	0	
MIDDLE MANAGER: FINANCE AND ECONOMICS RELATED	5	5	0	
MIDDLE MANAGER: INFORMATION TECHNOLOGY RELATED	2	2	0	
MIDDLE MANAGER: INTERNAL AUDIT RELATED	1	0	100	
MIDDLE MANAGER:COMMUNICATION & INFORMATION RELATED	3	3	0	
OFFICE CLEANER	17	17	0	
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	1	1	0	
OTHER CLERICAL SUPPORT WORKERS	77	75	3	
OTHER MIDDLE MANAGER	51	43	16	
PERSONAL ASSISTANT	5	3	40	
POLICY AND PLANNING MANAGERS	3	3	0	
PROFESSIONALS NOT ELSEWHERE CLASSIFIED	16	16	0	
PROGRAMME OR PROJECT MANAGER	11	11	0	
QUANTITY SURVEYOR	1	1	0	
RISK AND INTEGRITY SPECIALIST	1	1	0	
SECRETARY (GENERAL)	14	13	7	

STRATEGY/MONITORING & EVALUATION MANAGER	1	1	0	
SUPPLY CHAIN CLERK	11	11	0	
SUPPLY CHAIN MANAGER	1	1	0	
SURVEYOR	1	1	0	
TOWN PLANNING TECHNICIAN	2	2	0	
TRANSPORT CLERK	1	1	0	
Total	331	307	7	23

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2026

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department			0	0	0
Salary Level 16			0	0	0
Salary Level 15	1	1	100	0	0
Salary Level 14	4	3	75	1	25
Salary Level 13	15	15	100	0	0
Total	20	19	95	1	5

Table 3.3.2 SMS post information as on 30 September 2025

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department			0	0	0
Salary Level 16			0	0	0
Salary Level 15	1	1	100	0	0
Salary Level 14	4	4	100	0	0
Salary Level 13	15	13	87	2	13
Total	20	18	90	2	10

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2025 to 31 March 2026

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	1	0	0
Salary Level 13	0	0	0
Total	1	0	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2025 to 31 March 2026

The Department advertised 3 vacant posts in on the 04th March 2025 and filled all in between August 2025 and October 2025. However, the three positions were vacant since 2019/20 financial year due to budget constraints. Subsequent to that, 1 (one) post of Chief Financial officer was advertised (January 2026) after one (1) month of being vacant (November 2025), and recruitment process were not finalised on the 3rd month of being advertised by the time of reporting.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2025 to 31 March 2026

No disciplinary measures were taken

3.4 Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2025 to 31 March 2026

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	17	0	0	0	0	0	0
Skilled (Levels 3-5)	109	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	102	2	2	0	0	0	0
Highly skilled supervision (Levels 9-12)	83	9	10,8	0	0	0	0
Senior Management Service Band A	15	15	100	1	6,7	0	0
Senior Management Service Band B	4	4	100	0	0	0	0
Senior Management Service Band C	1	1	100	0	0	0	0
Senior Management Service Band D		0	0	0	0	0	0
Total	331	31	9,4	1	3,2	0	0

Employees with a disability	0
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Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2025 to 31 March 2026

Gender	African	Asian	Coloured	White	Total
Female					0
Male					0
Total	0	0	0	0	0

Employees with a disability					0
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Total number of Employees whose salaries exceeded the grades determine by job evaluation

0

3.5 Employment Changes

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2025 to 31 March 2026

Salary band	Number of employees at beginning of period - 1 April 2025	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	17	0	0	0
Skilled (Levels 3-5)	78	5	0	0
Highly skilled production (Levels 6-8)	96	3	4	4
Highly skilled supervision (Levels 9-12)	70	3	1	1
Senior Management Service Band A (Level 13)	12	1	1	8
Senior Management Service Band B (Level 14)	3	1	1	33
Senior Management Service Band C (Level 15)		0	0	0
MEC & Senior Management Service Band D (Level 16)		0	0	0
Contracts	28	0	4	14
Total	304	13	11	4

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2025 to 31 March 2026

Salary band	Number of employees at beginning of period - 1 April 2025	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	17	0	0	0
Skilled (Levels 3-5)	78	5	0	0
Highly skilled production (Levels 6-8)	96	3	4	4
Highly skilled supervision (Levels 9-12)	70	3	1	1
Senior Management Service Band A (Level 13)	12	1	1	8
Senior Management Service Band B (Level 14)	3	1	1	33
Senior Management Service Band C (Level 15)		0	0	0
MEC & Senior Management Service Band D (Level 16)		0	0	0
Contracts	28	0	4	14
Total	304	13	11	4

Table 3.5.3 Reasons why staff left the department for the period 1 April 2025 to 31 March 2026

Termination Type	Number	% of Total Resignations
Death		0
Resignation	6	55
Expiry of contract	1	9
Dismissal – operational changes		0
Dismissal – misconduct	1	9
Dismissal – inefficiency		0
Discharged due to ill-health		0
Retirement	3	27
Transfer to other Public Service Departments		0
Other		0
Total	11	100
Total number of employees who left as a % of total employment		4

Table 3.5.4 Promotions by critical occupation for the period 1 April 2025 to 31 March 2026

Occupation	Employee es 1 April 2025	Promotio ns to another salary level	Salary level promotio ns as a % of employee s by occupati on	Progressio ns to another notch within a salary level	Notch progressi on as a % of employee s by occupatio n
ACCOUNT CLERK(PUBLIC RELATIONS/COMMUNICATION)	1		0		0
ADMINISTRATION CLERKS	41		0	23	56
ADMINISTRATION OFFICER	18		0	11	61
CHIEF FINANCIAL OFFICER	1		0		0
CIVIL ENGINEERING TECHNICIAN	2		0	1	50
COMMUNICATION AND MARKETING MANAGER	1		0	1	100
COMPUTER NETWORK TECHNICIAN	2		0		0
CONSTRUCTION PROJECT MANAGER	2		0		0
FINANCE CLERK	5		0	4	80
FINANCE MANAGER	1		0		0
HEAD OF PROVINCIAL DEPARTMENT	1		0		0
HUMAN RESOURCE CLERK	6		0	5	83
HUMAN RESOURCE MANAGER	1		0	1	100
INTERNAL AUDIT MANAGER	1		0		0
LEGAL RELATED MANAGER	3		0		0
MESSENGERS	11		0	8	73
MIDDLE MANAGER: ADMINISTRATIVE RELATED	1		0		0
MIDDLE MANAGER: FINANCE AND ECONOMICS RELATED	5		0	2	40
MIDDLE MANAGER: INFORMATION TECHNOLOGY RELATED	1		0		0
MIDDLE MANAGER:COMMUNICATION & INFORMATION RELATED	3		0	2	67
OFFICE CLEANER	17		0	9	53
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	1		0		0
OTHER CLERICAL SUPPORT WORKERS	77		0	40	52
OTHER MIDDLE MANAGER	44	1	2	28	64
PERSONAL ASSISTANT	2	1	50	2	100
POLICY AND PLANNING MANAGERS	3		0	3	100
PROFESSIONALS NOT ELSEWHERE CLASSIFIED	16		0	5	31
PROGRAMME OR PROJECT MANAGER	7	3	43		0
QUANTITY SURVEYOR	1		0		0

SECRETARY (GENERAL)	13		0	9	69
STRATEGY/MONITORING & EVALUATION MANAGER	1		0	1	100
SUPPLY CHAIN CLERK	10		0	4	40
SUPPLY CHAIN MANAGER	1		0	1	100
SURVEYOR	1		0		0
TOWN PLANNING TECHNICIAN	2	1	50		0
TRANSPORT CLERK	1		0		0
Total	304	6	2	160	53

Table 3.5.5 Promotions by salary band for the period 1 April 2025 to 31 March 2026

Salary Band	Employees 1 April 2025	Promotions to another salary level	Salary band promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Lower skilled (Levels 1-2)	17		0	8	47
Skilled (Levels 3-5)	105		0	51	49
Highly skilled production (Levels 6-8)	96	1	1	59	62
Highly skilled supervision (Levels 9-12)	70	4	6	37	53
Senior management (Levels 13-16)	16	1	6	5	31
Total	304	6	2	160	53

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2026

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
ELEMENTARY OCCUPATIONS	16				12				28
CLERICAL SUPPORT WORKERS	50	2	1		102				155
MANAGERS	38		1	2	42			1	84
PROFESSIONALS	13				6				19
PLANT, MACHINE OPERATORS AND ASSEMBLERS									
PROTECTIVE AND RESCUE SERVICE WORKERS, SOCIAL AND HEALTH SCIENCES SUPPLEMENTARY AND SUPPORT PERSONNEL									

SKILLED AGRICULTURAL, FORESTRY, FISHERY, CRAFT AND RELATED TRADES WORKERS									
TECHNICIANS AND ASSOCIATE TECHNICAL OCCUPATIONS	14				6				20
SECURITY AND CUSTODIAL PERSONNEL									
UNKNOWN / BLANK - VALUE NOT CAPTURED					1				1
Total	131	2	2	2	169	0	0	1	307
Employees with disabilities	4	1			3			1	9

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management					1				1
Senior Management	10				7			1	18
Professionally qualified and experienced specialists and mid-management	22		1		16				39
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	48			2	78				128
Semi-skilled and discretionary decision making	37	2	1		41				81
Unskilled and defined decision making	5				12				17
Developmental Programmes (Interns & Learners)	9				14				23
Total	131	2	2	2	169	0	0	1	307
Employees with disabilities	4	1			3			1	9

Table 3.6.3 Recruitment for the period 1 April 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management					1				1
Professionally qualified and experienced specialists and mid-management	2								2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents					3				3

Semi-skilled and discretionary decision making	2	1			2				5
Unskilled and defined decision making									
Developmental Programmes (Interns & Learners)									
Total	4	1	0	0	6	0	0	0	11
Transfers to the Department					2				2
Total including transfers to the Department	4	1	0	0	8	0	0	0	13
Employees with disabilities	2	1			2				5

Table 3.6.4 Promotions for the period 1 April 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management					1				1
Professionally qualified and experienced specialists and mid-management	2				2				4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1								1
Semi-skilled and discretionary decision making									
Unskilled and defined decision making									
Total	3	0	0	0	3	0	0	0	6
Employees with disabilities									0

Table 3.6.5 Terminations for the period 1 April 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management					2				2
Professionally qualified and experienced specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1				4				5
Semi-skilled and discretionary decision making									
Unskilled and defined decision making									

Developmental Programmes (Interns & Learners)	2				2				4
Total	3	0	0	0	8	0	0	0	11
Transfers out of the Department									0
Total including transfers out of the Department	3	0	0	0	8	0	0	0	11
Employees with Disabilities									0

Table 3.6.6 Disciplinary action for the period 1 April 2025 to 31 March 2026

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
derelegation of duty and failure to submit performance agreement									0
Insubordination					2				2
									0
									0
Total	0	0	0	0	2	0	0	0	2

Table 3.6.7 Skills development for the period 1 April 2025 to 31 March 2026

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
ELEMENTARY OCCUPATIONS									0
CLERICAL SUPPORT WORKERS					1				1
MANAGERS					1				1
PROFESSIONALS	4				6				10
PLANT, MACHINE OPERATORS AND ASSEMBLERS									0
PROTECTIVE AND RESCUE SERVICE WORKERS; SOCIAL AND HEALTH SCIENCES SUPPLEMENTARY AND SUPPORT PERSONNEL									0
SKILLED AGRICULTURAL, FORESTRY, FISHERY, CRAFT AND RELATED TRADES WORKERS									0

TECHNICIANS AND ASSOCIATE TECHNICAL OCCUPATIONS									0
SECURITY AND CUSTODIAL PERSONNEL									0
Total	4	0	0	0	8	0	0	0	12
Employees with disabilities									0

NOTES:

If Departments capture the Training and Development information on Persal, some of the data can be extracted from Persal at #4.4.8 Reports.
However, as Departments are not utilising persal for training, request the data from your HRD Unit

3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2025

SMS Level	Total number of funded SMS posts on 01 April 2025	Total number of SMS members on 01 April 2025	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department				0
Salary Level 16				0
Salary Level 15	1	1	1	100
Salary Level 14	4	3	2	66,7
Salary Level 13	15	12	13	108,3
Total	20	16	16	100

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2025

Reasons
One of official was on suspension during the period under reporting

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 May 2025

Reasons
None

Note:

The reporting date in the heading of this table should be aligned with that of Table 3.7.1

3.8 Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2025 to 31 March 2026

Race	Gender	Beneficiary Profile			Cost	
		No. of Beneficiaries	Number of employees	% of total within group	Cost	Average cost per employee
AFRICAN	FEMALE		169	0		R 0.00
	MALE		131	0		R 0.00
COLOURED	FEMALE			0		R 0.00
	MALE		2	0		R 0.00
INDIAN	FEMALE			0		R 0.00
	MALE		2	0		R 0.00
WHITE	FEMALE		1	0		R 0.00
	MALE		2	0		R 0.00
Total		0	307	0	R 0.00	R 0.00

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2025 to 31 March 2026

Salary Band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	No. of Beneficiaries	Number of employees	% of total within salary bands	Total Cost	Average cost per employee	
Lower Skilled (Levels 1-2)		17	0		R 0.00	0
Skilled (level 3-5)		104	0		R 0.00	0
Highly skilled production (level 6-8)		95	0		R 0.00	0
Highly skilled supervision (level 9-12)		72	0		R 0.00	0
Total	0	288	0	R 0.00	R 0.00	0

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2025 to 31 March 2026

Critical Occupation	Beneficiary Profile	Cost
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	No. of Beneficiaries	Number of employees	% of total within occupation	Total Cost	Average Cost per employee
ACCOUNT CLERK(PUBLIC RELATIONS/COMMUNICATION)		1	0		R 0.00
ADMINISTRATION CLERKS		39	0		R 0.00
ADMINISTRATION OFFICER		13	0		R 0.00
CIVIL ENGINEERING TECHNICIAN		3	0		R 0.00
COMMUNICATION AND MARKETING MANAGER		1	0		R 0.00
COMPUTER NETWORK TECHNICIAN		2	0		R 0.00
CONSTRUCTION PROJECT MANAGER		7	0		R 0.00
FINANCE CLERK		6	0		R 0.00
FINANCE MANAGER		1	0		R 0.00
HEAD OF PROVINCIAL DEPARTMENT		1	0		R 0.00
HUMAN RESOURCE CLERK		6	0		R 0.00
HUMAN RESOURCE MANAGER		1	0		R 0.00
LEGAL RELATED MANAGER		3	0		R 0.00
MESSENGERS		11	0		R 0.00
MIDDLE MANAGER: ADMINISTRATIVE RELATED		1	0		R 0.00
MIDDLE MANAGER: FINANCE AND ECONOMICS RELATED		5	0		R 0.00
MIDDLE MANAGER: INFORMATION TECHNOLOGY RELATED		2	0		R 0.00
MIDDLE MANAGER:COMMUNICATION & INFORMATION RELATED		3	0		R 0.00
OFFICE CLEANER		17	0		R 0.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS		1	0		R 0.00
OTHER CLERICAL SUPPORT WORKERS		75	0		R 0.00
OTHER MIDDLE MANAGER		43	0		R 0.00
PERSONAL ASSISTANT		3	0		R 0.00
POLICY AND PLANNING MANAGERS		3	0		R 0.00
PROFESSIONALS NOT ELSEWHERE CLASSIFIED		16	0		R 0.00
PROGRAMME OR PROJECT MANAGER		11	0		R 0.00
QUANTITY SURVEYOR		1	0		R 0.00
RISK AND INTEGRITY SPECIALIST		1	0		R 0.00
SECRETARY (GENERAL)		13	0		R 0.00
STRATEGY/MONITORING &EVALUATION MANAGER		1	0		R 0.00
SUPPLY CHAIN CLERK		11	0		R 0.00
SUPPLY CHAIN MANAGER		1	0		R 0.00
SURVEYOR		1	0		R 0.00
TOWN PLANNING TECHNICIAN		2	0		R 0.00

TRANSPORT CLERK		1	0		R 0.00
Total	0	307	0	R 0.00	R 0.00

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2025 to 31 March 2026

Salary Band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	No. of Beneficiaries	Number of employees	% of total within salary bands	Total Cost	Average cost per employee	
Senior Management Service Band A (Level 13)		15	0		R 0.00	0
Senior Management Service Band B (Level 14)		3	0		R 0.00	0
Senior Management Service Band C (Level 15)		1	0		R 0.00	0
Senior Management Service Band D (Level 16)			0		R 0.00	0
Total	0	19	0	R 0.00	R 0.00	0

3.9 Foreign Workers

Table 3.9.1 Foreign workers by salary band for the period 1 April 2025 and 31 March 2026

Salary Band	1 April 2025		31 March 2026		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior Management (Level 13-16)	0	0	0	0	0	0
Contract (Levels 1-2)	0	0	0	0	0	0
Contract (Levels 3-5)	0	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2025 and 31 March 2026

Major Occupation	1 April 2025	31 March 2026	Change
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	Number	% of total	Number	% of total	Number	% Change
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
Total	0	0	0	0	0	0

3.10 Leave utilisation

Table 3.10.1 Sick leave for the period 1 January 2025 to 31 December 2026

Salary Band	Total days	% Days with medical certification	No. of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost
Lower skilled (Levels 1-2)	55	93	7	4	8	R 42,955.62
Skilled (Levels 3-5)	360	87	51	29	7	R 435,705.05
Highly skilled production (Levels 6-8)	552	79	73	42	8	R 1,053,672.63
Highly skilled supervision (Levels 9-12)	406	86	38	22	11	R 1,280,443.17
Senior management (Levels 13-16)	34	100	5	3	7	R 179,681.04
Total	1407	84	174	100	8	R 2,992,457.51

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2025 to 31 December 2026

Salary Band	Total Days	% Days with medical certification	No. of employees using Disability Leave	% of total employees using Disability Leave	Average days per employee	Estimated Cost
Lower skilled (Levels 1-2)		0		0	0	
Skilled (Levels 3-5)		0		0	0	
Highly skilled production (Levels 6-8)	10	100	1	50	10	R 24,581.40
Highly skilled supervision (Levels 9-12)	21	100	1	50	21	R 76,636.98
Senior management (Levels 13-16)		0		0	0	
Total	31	100	2	100	16	R 101,218.38

Table 3.10.3 Annual Leave for the period 1 January 2025 to 31 December 2026

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	271	11	25
Skilled (Levels 3-5)	1758	83	21
Highly skilled production (Levels 6-8)	2781	130	21

Highly skilled supervision (Levels 9-12)	1662	72	23
Senior management (Levels 13-16)	314	19	17
Total	6786	315	22

Table 3.10.4 Capped leave for the period 1 January 2025 to 31 December 2026

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2024
Lower skilled (Levels 1-2)			0	0
Skilled (Levels 3-5)			0	6
Highly skilled production (Levels 6-8)			0	11
Highly skilled supervision (Levels 9-12)	7	2	4	14
Senior management (Levels 13-16)			0	30
Total	7	2	4	11

Table 3.10.5 Leave payouts for the period 1 April 2025 and 31 March 2026

Reason	Total Amount	No. of Employees	Average payment per employee
Leave payout for 2025/26 due to non-utilisation of leave for the previous cycle [LEAVE DISCOUNTING (UNUSED LEAVE CR)]	R 0.00	0	R 0.00
Capped leave payouts on termination of service for 2025/26 (LEAVE GRATUITY)	R 0.00	0	R 0.00
Current leave payout on termination of service for 2025/26 [LEAVE DISCOUNTING \ GRATUITY (UNUSED LEAVE CR)]	R 673,150.52	6	R 112,192.00
Total	R 673,150.52	6	R 112,192.00

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure (EHW)

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Director Human Resource is responsible to oversee implementation of the program
2. Does the department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		4 Employees and 2 interns - R400 000 annual budget
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	x		- Counselling services - HIV and AIDS and TB Management - SHERQ- - Safety, Health, Environment, - Risk and Quality Assurance - Wellness Management - Health and Productivity Management
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	x		The committee is established, It has 15 members comprising of 6 Employees Representatives (Lindiwe Motseathebe, Ntebogang Kweetsane, Thato Kepu, Kopano Meko, Ingrid Mohitshane, Belinah Khenene) 2 Union Representatives (Mpho Tshegang & Mpfunzeni Budeli) 7 Employer Representatives (Ms Lolokwane, Ms Modisakeng, Ms Tumane, Ms Mokhadi, Mr Magakwe, Mr Lerefolo, Mr Bidi)
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	x		Approved HIV and AIDS and TB Policy and annual plans in place
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	x		Section 7 of the HIV & AIDS policy protects against discrimination.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	x		37 Employees tested for HIV during awareness sessions in the year under review.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		Annual Employee health and Wellness plans are in place.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2025 and 31 March 2026

If there were no agreements, keep the heading in the word template and replace the table with the following:

Total number of Collective Agreements	0
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Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2025 and 31 March 2026

Outcomes of disciplinary hearings	Number	% of Total
Correctional counselling		0
Verbal warning		0
Written warning		0
Final written warning		0
Suspended without pay		0
Fine	0	0
Demotion		0
Dismissal	1	100
Not guilty		0
Case withdrawn		0
Total	1	100

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2025 and 31 March 2026

Type of misconduct	Number	% of Total
insubordination	1	100
		0
		0
		0
Total	1	100

Table 3.12.4 Grievances logged for the period 1 April 2025 and 31 March 2026

Grievances	Number	% of Total
Number of grievances resolved		0

Number of grievances not resolved		0
Total number of grievances lodged	0	0

Table 3.12.5 Disputes logged with Councils for the period 1 April 2025 and 31 March 2026

Disputes	Number	% of Total
Number of disputes upheld		0
Number of disputes dismissed		0
Total number of disputes lodged	0	0

Table 3.12.6 Strike actions for the period 1 April 2025 and 31 March 2026

Total number of persons working days lost	0
Total costs working days lost	R0.00
Amount recovered as a result of no work no pay	R0.00

Table 3.12.7 Precautionary suspensions for the period 1 April 2025 and 31 March 2026

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension(R'000)	R0.00

3.13 Skills development

Table 3.13.1 Training needs identified for the period 1 April 2025 and 31 March 2026

Occupational category	Gender	Number of employees as at 1 April 2025	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
ELEMENTARY OCCUPATIONS	Female	12		9		9
	Male	16		8		8
CLERICAL SUPPORT WORKERS	Female	104	19	20		39
	Male	52	13	14		27
MANAGERS	Female	42		11		11
	Male	35		13		13
PROFESSIONALS	Female	5		16		16
	Male	13		3		3
PLANT, MACHINE OPERATORS AND ASSEMBLERS	Female			1		1
	Male			10		10
PROTECTIVE AND RESCUE SERVICE WORKERS; SOCIAL AND HEALTH SCIENCES SUPPLEMENTARY AND SUPPORT PERSONNEL	Female					0
	Male					0
SKILLED AGRICULTURAL, FORESTRY, FISHERY, CRAFT AND RELATED TRADES WORKERS	Female					0
	Male					0
TECHNICIANS AND ASSOCIATE TECHNICAL OCCUPATIONS	Female	5				0
	Male	19				0
SECURITY AND CUSTODIAL PERSONNEL	Female					0
	Male					0
UNKNOWN / BLANK - VALUE NOT CAPTURED	Female	1				0
	Male					0
Sub Total	Female	169	19	57	0	76
	Male	135	13	48	0	61
Total		304	32	105	0	137

Table 3.13.2 Training provided for the period 1 April 2025 and 31 March 2026

Occupational category	Gender	Number of employees as at 1 April 2025	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
ELEMENTARY OCCUPATIONS	Female	12				0
	Male	16				0
CLERICAL SUPPORT WORKERS	Female	104				0
	Male	52				0
MANAGERS	Female	42		3		3
	Male	35		1		1

PROFESSIONALS	Female	5		4		4
	Male	13		2		2
PLANT, MACHINE OPERATORS AND ASSEMBLERS	Female					0
	Male					0
PROTECTIVE AND RESCUE SERVICE WORKERS; SOCIAL AND HEALTH SCIENCES SUPPLEMENTARY AND SUPPORT PERSONNEL	Female					0
	Male					0
SKILLED AGRICULTURAL, FORESTRY, FISHERY, CRAFT AND RELATED TRADES WORKERS	Female					0
	Male					0
TECHNICIANS AND ASSOCIATE TECHNICAL OCCUPATIONS	Female	5				0
	Male	19				0
SECURITY AND CUSTODIAL PERSONNEL	Female					0
	Male					0
UNKNOWN / BLANK - VALUE NOT CAPTURED	Female	1				0
	Male					0
Sub Total	Female	169	0	7	0	7
	Male	135	0	3	0	3
Total		304	0	10	0	10

3.14 Injury on duty

Table 3.14.1 Injury on duty for the period 1 April 2025 and 31 March 2026

Nature of injury on duty	Number	% of Total
Required basic medical attention only	8	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	8	100

3.15 Utilisation of Consultants

4 Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2025 and 31 March 2026

5 Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
none			
none			
none			

none			
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Total number of projects	Total individual consultants	Total duration (work days)	Total contract value in Rand
none			
none			
none			
none			

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2025 and 31 March 2026

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
none			
none			
none			
none			

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2025 and 31 March 2026

Project title	Total Number of consultants that worked on project	Duration (Work Days)	Donor and contract value in Rand
none			
none			
none			
none			
Total number of projects	Total individual consultants	Total duration (Work Days)	Total contract value in Rand
none			
none			
none			
none			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2025 and 31 March 2026

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None			
None			
None			
None			

3.16 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2025 and 31 March 2026

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0			
Skilled Levels 3-5)	0			
Highly skilled production (Levels 6-8)	0			
Highly skilled supervision (Levels 9-12)	0			
Senior management (Levels 13-16)	0			
Total	0	0	0	0

PART E

PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2025/2026	2024/2025
	R'000	R'000
Opening balance	6 916 022	5 279 113
Adjustment to opening balance	0	0
Opening balance as restated	6 916 022	5 279 113
Add: Irregular expenditure confirmed	1 433 370	1 636 909
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable ¹	0	0
Less: Irregular expenditure not recoverable and written off	0	0
Closing balance	8 349 411	6 916 022

2024/2025

Included on the total amount of R 6 916 022 024.85, R 5 279 112 924,87 relating to opening balance from prior years and an amount of R 1 636 909 099.98 which relates to the current year expenditure.

2025/2026

Included on the total amount of R 8 349 410 941.54 is the R 6 916 022 024.85 relating to opening balance from prior years and an amount of R1 433 370 323 .11 which relates to the current year expenditure.

Reconciling notes

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure that was under assessment	0	0
Irregular expenditure that relates to the prior year and identified in the current year	0	0
Irregular expenditure for the current year	1 433 370	1 636 909
Total	1 433 370	1 636 909

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description ²	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	8 349 411	6 916 022
Irregular expenditure under investigation	0	0
Total	8 349 411	6 916 022

c) Details of irregular expenditure condoned

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure condoned		
Total		

d) Details of irregular expenditure removed - (not condoned)

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure NOT condoned and removed		
Total		

e) Details of irregular expenditure recoverable

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure recoverable		
Total		

f) Details of irregular expenditure written off (irrecoverable)

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure written off		
Total		

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
Total

h) Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)³

Description	2025/2026	2024/2025
	R'000	R'000
Total		

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Responsible officials/committees were given verbal warnings.

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2025/2026	2024/2025
	R'000	R'000
Opening balance	1 325	68
Adjustment to opening balance	0	0
Opening balance as restated	1 325	68
Add: Fruitless and wasteful expenditure confirmed	2	1 256
Less: Fruitless and wasteful expenditure recoverable ⁴	0	0
Less: Fruitless and wasteful expenditure not recoverable and written off	0	0

Closing balance	1 327	1 325
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2024/2025

Included in the R1 324 654.75 is the opening amount of R 68 501.17 which relates to prior year and R 1 256 153.58 which relates to current year expenditure.

2025/2026

Included in the R 1 326 486,25 is the opening amount of R 1 324 654,75 which relates to prior year and R 1 831,50 which relates to current year expenditure.

Reconciling notes

Description	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	2	1 256
Total	2	1 256

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description ⁵	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	1 327	1 325
Fruitless and wasteful expenditure under investigation	0	0
Total	1 327	1 325

c) Details of fruitless and wasteful expenditure recoverable

Description	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure recoverable	0	0
Total	0	0

D) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure written off	0	0
Total	0	0

a) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
Total

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2025/2026	2024/2025
	R'000	R'000
Opening balance	0	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: unauthorised expenditure confirmed	0	0
Less: unauthorised expenditure approved with funding	0	0
Less: unauthorised expenditure approved without funding	0	0
Less: unauthorised expenditure recoverable ⁶	0	0
Less: unauthorised not recoverable and written off ⁷	0	0
Closing balance	0	0

Reconciling notes

Description	2025/2026	2024/2025
	R'000	R'000
Unauthorised expenditure that was under assessment	0	0
Unauthorised expenditure that relates to the prior year and identified in the current year	0	0
Unauthorised expenditure for the current year	0	0
Total	0	0

b) Details of unauthorised expenditure (under assessment, determination, and investigation)

Description ⁸	2025/2026	2024/2025
	R'000	R'000
Unauthorised expenditure under assessment	0	0
Unauthorised expenditure under determination	0	0
Unauthorised expenditure under investigation	0	0
Total	0	0

1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii))⁹

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2025/2026	2024/2025
	R'000	R'000
Theft	0	0
Other material losses	0	0
Less: Recoverable	0	0
Less: Not recoverable and written off	0	0
Total	0	0

a) Details of other material losses

Nature of other material losses	2025/2026	2024/2025
	R'000	R'000
Payment for duplicate service	6 646	6 861
Total	6 646	6 861

One service provider claimed for work done on two different roles while the other is a result of an invoice overstated in excess of the value of works certified. The matter was referred to Office of the Premier for investigations and the letter of demand was issued to the service provider. The Department performed an analysis on the disclosed amount of R 6 861 162,50 (2024/2025) and the corrected figure amounts to R 6 646 104 (2025/2026)

c) Other material losses recoverable

Nature of losses	2025/2026	2024/2025
	R'000	R'000
Payment for duplicate service	6 646	6 861
Total	6 646	6 861

a) Other material losses not recoverable and written off

Nature of losses	2025/2026	2024/2025
	R'000	R'000
None	0	0
Total	0	0

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	4388	1 667 714
Invoices paid within 30 days or agreed period	2816	685 171
Invoices paid after 30 days or agreed period	1572	982 542
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	55	122 596
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	0	0

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means: NONE

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
NONE				
Total				0

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Approval for design installation of internal service for increased stands size for 943 site at kana ext 17 Project implemented by KD Civils Dr Kenneth Kaunda local Municipality.	KD Civils	Subsidy Quantum Adjustment	B23040204	131 766 190	18 941 020	31 724 981
Request for approval for design installation of internal of service for increased stands size for 358 sites at Wolmaransstad and lebaleng implemented Dr Kenneth Kaunda District Municipality	KD Civils	Extension of Scope of work	B19040003/2	131 766 190	28 468 518	18941020
Construction of 150 housing units at Mokgola village-Ramotshere Moiloa Local Municipality	Reotshepile Project Pty Ltd	Additional funding due to Extraordinary geotechnical conditions	B20040066/4	13 793 159	18 904 320	6 158 764
Appointment of a service provider for the design & installation of internal services for 346 sites Boipelo-Reivilo: Greater Taung Local Municipality	Gabotloge Pty Ltd	Additional funds for Hard rock, Excavation, Bigger stands, Transportation, Bedding & Blanketing Material	B16040110/1	21 213 260	28 895 612	33 055 804
Internal Service for 1000 sites in Popo Molefe within the jurisdiction of Rustenburg Local Municipality	Chubane Investment	Reblocking and Relocation grant	B20040029/2	47 241 000	14 030 000	10 354 028
Construction of 125 Housing units in Doornlaagter within	Sibongile Mashiya JV	Variation order for G5 for 88	B16040100/1	20 219 625	0	11 614 181

Ramotshere Moiloa Local Municipality	Mperere Construction	units, Subsidy quantum, Geotech allowance, Transport Allowance, top up for 37 units & remedial work				
Construction of 100 Housing units in Madutle Village within Ramotshere Moiloa Local Municipality	Thandana zi Projects (PTY) LTD	Subsidy Quantum Adjustment	B18040001/3	14 008 500	0	4 182 200
Appointment of a Turnkey Developer to construct 150 Low Cost Houses Top Structures at Lekubu Village: Ramotshere Moiloa Local Municipality.	Ndihone Holding	Extraordinary Geotechnical Conditions	B16040091/2	18 958 050	2 554 450	5 624 766
Construction of 621 low cost houses at Lebaleng ext 6 phase 2 in Wolmaranstad, Maquassi Hills Local Municipality	Mercycon CC	Earthworks G5	B23040013/1	10 226 0753	26 809 812	27 036 421
Appointment of a service provider for Construction of 83 housing units at Masuthe Village- Mahikeng Local Municipality	LS Doll Distributors	Extraordinary due geotechnical conditions	B16010001	10 685 486	62 113	2 514 392
Construction of 150 Housing units at Various Villages within Mahikeng Local Municipality, Ngaka Modiri Molema District	Valoster 159 (PTY) LTD	Additional one Housing unit	B21010011/9	18 625 410	7 983 848	140 085
Appointment of a service provider for construction of 200 housing units at Devondale Village- Naledi Local Municipality	Kgantso Trading	Extension of Scope	B16040113/2	27 048 484	30 104 513	40 408 241
The design & Installation of internal service for 2254 sites in Jouberton, Matlosana Local Municipality,	Maseno General Trade[MGT] (PTY) LTD	Subsidy Quantum Adjustment	B25030002	138 192 740	83 555 780	47 178 145

Construction of 185 Housing units of all bloocked projects at Matlosana Local Municipality Dr Kennth Kaunda District	Gcinisipho Trading	Subsidy Quantum Adjustment	B08010009/2	32 264 243	7 986 820	3 878 895
The design and installation of internal service (water, sewer, storm water & roads) for 500 sites at Boitekong extension 39(Popo Molefe) within Rustenburg Local Municipality,	Chubane Investments	Project Adjustments (Expansion)	B20040029/3	4 7241 000	14 070 000	5 850 459
Design & installation of internal services (Water, Sewer, Storm Water & Roads) for 1000 sites at Boitekong extension 39 (Popo Molefe) within Rustenburg Local Municipality	Reteng Civil Project (PTY) LTD	Additional Funding due to Extraordinary soil, manholes, sewer connections & Stabilized roads	B23090001/2	47 241 000	14 030 000	8 527 449
Design & Installation of Internal Services for 603 sites at Wolmaranstad Extension 19 Maquassi Hills Local Municipality	Reabeleng Group	Additional Funding due to Long Street fronts, Larger stand size, deep excavations and Deep sump tank & pump station	B20040055/2	27 729 075,6	0	18 309 908
Appointment of a service provider for the construction of 320 low cost housing units at Bokamoso in Rustenburg Local Municipality	Lempitse Trading Enterprise 61	Extraordinary Soil Conditions	B200300002/5	50 724 160	16 282 560	9 062 400
Appointment of a service provider for construction of 50 low cost housing units at Brooksby Village-Tswaing Local Municipality	Moroka Consultants	Subsidy Quantum Adjustment	B1802000/2	6 187 700	302 851	2 334 812
Appointment of a service provider for the installation of internal services for 1849 sites at Mbeki	Leano 87 Solution	Deep Trench excavation Hard rock excavations, manholes,	B20040028/2	87 348 609	25 941 470	45 205 736

Sun: Rustenburg Local Municipality		sewer erf connection and water connection,				
Total				R874 960 427,09	R340 168 890	R337 826 653

PART F



FINANCIAL INFORMATION

Report of the auditor-general to the North West Provincial Legislature on vote no. 14: North West Department of Human Settlements

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Human Settlements (the department) as set out on pages **132 to 281**, which comprise the appropriation statement, statement of financial position as of 31 March 2026, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Human Settlements as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as issued by the National Treasury of South Africa and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 02 of 2025 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Payables not recognised

7. As disclosed in note 27.2 to the financial statements, payables of R259 056 000 exceeded the payment term of 30 days, contrary to treasury regulation 8.2.3. This amount, in turn, exceeded the R16 263 000 of voted funds to be surrendered by R242 793 000 as per the statement of financial position. The amount of R242 793 000 would therefore have constituted unauthorised expenditure had the amounts due been paid on time.

Contingent liabilities

8. As disclosed in note 25.1 to the financial statements, the department is the defendant in several claims amounting to R304 930 000. A large portion of the department's claims relates to services rendered for project management. The department is opposing the claims and the matter is currently before the court.

Irregular expenditure

9. As disclosed in note 31 to the financial statements, irregular expenditure of R1 433 370 000 was incurred in the current year.

Other matter

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

11. The supplementary information set out on pages **282 to 299** does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and Dora; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on pages **128 to 129**, forms part of my auditor's report.

Report on the audit of the annual performance report

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
17. I selected the following programme presented in the annual performance report for the year ended 31 March 2026. I selected a programme that measures the department's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 3: housing development	40-42	To provide integrated and sustainable human settlements through accelerating housing opportunities and security of tenure

18. I evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

19. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

20. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

22. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under-achievements. This

information should be considered in the context of the material findings on the reported performance information.

23. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The

reasons for any underachievement of targets are included in the annual performance report on pages **40 to 42** .

Programme 3: Housing development

Targets achieved: 36% Budget spent: 99.3%		
Key indicator not achieved	Planned target	Reported achievement
Number of title deeds registered	6 747	3 123
Number of serviced sites completed	5 403	3 778
Number of subsidies disbursed through FHF programme	44	25
Number of informal settlements completed in Phase 1	3	2
Number of informal settlements completed in Phase 2	2	0
Percentage of infrastructure spent towards designated groups	Women 40 Youth 10 PWD 5	30.77 19.55 0

Material misstatements

24. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Programme 3: Housing Development. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

25. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
26. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
27. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are

included in the annexure to this auditor's report.

28. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

29. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.

Strategic planning and performance management

30. Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery, as required by public service regulation 25(1)(e)(i) and (iii).

Other information in the annual report

31. The accounting officer is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported on in this auditor's report.
32. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
33. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
34. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

35. I considered internal control relevant to my audit of the financial statements, annual

performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

36. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
37. Leadership did not develop and monitor the implementation of action plans to address internal control deficiencies.
38. Leadership did not exercise oversight responsibility regarding compliance and related internal controls.
39. The accounting officer did not review and monitor compliance with applicable laws and regulations.
40. Management did not implement proper record-keeping in a timely manner to ensure that complete, relevant and accurate information was accessible and available to support performance reporting.

Material irregularities

41. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities (MIs) identified during the audit.

Material irregularities in progress

42. I identified an MI during the audit and notified the accounting officer, as required by MI regulation 3(2). By the date of this auditor's report, I had not yet completed the process of evaluating the response from the accounting officer. This MI will be included in next year's auditor's report.

Status of previously reported material irregularities

Overpayment on project management services (project management unit) (MI 01 of 2020-21)

43. The department entered into a contract with a supplier to provide project management unit services in November 2016. The department did not implement appropriate internal control measures for the payment of invoices relating to these services. This contravened treasury regulation 8.1.1, which requires internal procedures and internal control measures to be put in

place for the approval and processing of payments. These controls should provide reasonable assurance that all expenditure is necessary, is appropriate, is paid promptly and is adequately recorded and reported on.

44. The non-compliance resulted in overpayments of R2 984 768 to the supplier as the same person was paid for work done in two different roles for the months of October 2019, December 2019 to March 2020, and July 2020 to December 2020. This is likely to result in a material financial loss for the department if these overpayments are not recovered from the supplier. Further losses are likely if controls related to the payment of these invoices are not implemented, including invoices and claims already paid during the period that were not provided for audit purposes.
45. The accounting officer was notified of this MI on 21 September 2021 and invited to make a written submission on the actions that have been or will be taken to address the matter. An external investigation into the MI was initiated by the accounting officer and completed on 7 July 2022. The accounting officer studied the result of the investigation to determine who was responsible and planned to initiate disciplinary steps against the implicated officials by 31 August 2022. The accounting officer also issued a letter of intention to recover the overpaid amounts to the supplier on 11 July 2022.
46. I referred the MI to the Directorate for Priority Crime Investigation (DPCI) on 5 February 2024 for investigation, as provided for in section 5(1A) of the PAA. The DPCI acknowledged the referred matter on the same date. Based on the latest progress report received from the DPCI, the investigation has been finalised and the case docket was submitted to the National Prosecuting Authority in April 2026 for a decision.
47. I further recommended that the accounting officer take the following further actions to address the MI, which had to be implemented by 28 February 2024:
 - a) Appropriate action should be taken to investigate the non-compliance with treasury regulation 8.1.1 to determine the circumstances that led to the non-compliance for the purpose of taking appropriate corrective action.
 - b) The financial loss, as it relates to the overpayment, should be fully quantified.
 - c) All persons, including juristic persons, liable for the financial loss should be identified and appropriate action should commence to recover the financial loss suffered. The recovery process should not be unduly delayed.
 - d) Effective and appropriate disciplinary steps should be initiated, without undue delay, against any official that the investigation finds to be responsible, as required by section 38(1)(h) of the PFMA.
 - e) Reasonable steps should be taken to implement internal controls to prevent unsubstantiated payments to suppliers on professional services and construction contracts. The controls should as a minimum include the following:

- Reviewing invoices by the housing programme unit to confirm that services were rendered before approval of payment.
 - Reviewing invoices to detect items for which the department has been invoiced already.
 - Referrals to the relevant public body for investigation purposes and recovery of the full amount from the liable persons.
48. In considering the failure of the accounting officer to adequately implement, or make satisfactory progress with the implementation of, recommendations (a) and (b) in the audit report by the stipulated date, I issued a directive to the accounting officer to determine the amount of the financial loss and recover such loss, or make progress with the recovery of the loss, from the responsible persons within four months from the date of the notification. In addition, I notified the accounting officer of the following remedial actions to address the MI, which had to be implemented by 23 November 2024 with a progress report by 23 September 2024:
- a) Appropriate action must be taken to investigate the non-compliance with treasury regulation 8.1.1 in order to determine the circumstances that led to the non-compliance to take appropriate corrective actions.
 - b) The financial loss must be reliably quantified.
 - c) All persons, including juristic persons, liable for the financial loss must be identified and appropriate action must commence to recover the financial loss suffered. The recovery process must not be unduly delayed.
 - d) Effective and appropriate disciplinary steps must be initiated, without undue delay, against any official that the investigation found to be responsible, as required by section 38(1)(h) of the PFMA.
49. On 23 August 2024, I notified the accounting officer and the executive authority of the inclusion of the remedial action in the audit report. Subsequently, I engaged with them regarding the expectations for the implementation of the remedial action by the stipulated date.
50. The progress report was submitted on 23 September 2024, but the accounting officer did not provide adequate substantiating documentation. I shared the outcome of the assessment of the progress report with the accounting officer on 28 October 2024 and noted the shortcomings that had to be addressed with the final response due on 23 November 2024.
51. I reminded the accounting officer of the final response for the implementation of the remedial action. The first reminder notification was sent to the accounting officer on 29 October 2024, and the second reminder was sent on 15 November 2024. The

accounting officer's final response to the implementation of the remedial action was submitted on 29 November 2024.

52. As some of the actions were still in progress, I followed up in June 2025 on the progress with the actions taken to implement the remedial action. The accounting officer provided an updated response between 19 June 2025 and 10 July 2025, and an engagement was also held with the accounting officer on 7 July 2025 to discuss the progress being made in implementing the remedial action. I considered the representations made and the substantiating documents provided, and I concluded that appropriate actions are being taken to address the MI and to recover the financial loss. However, some of the actions committed to by the accounting officer to address the MI were still in progress and not yet completed.
53. I decided to grant the accounting officer additional time up to 30 September 2025 to complete the actions in progress and to implement the remedial action and execute the directive. I notified the accounting officer of my decision on 21 July 2025. The accounting officer was required to provide a progress report on the status of the actions being taken to implement the remedial action and execute the directive by 1 September 2025.
54. On 28 August 2025, prior to the due date for the progress report, the accounting officer requested a further extension of time to finalise outstanding investigative work relating to the material irregularity. The request was duly considered and based on the reasons provided and progress demonstrated, I granted an extension up to 30 November 2025 for implementation of the recommendations.
55. I received the accounting officer's response, dated 30 November 2025, on 8 December 2025 and assessed it. I identified that additional information was required to substantiate certain assertions made by the accounting officer. Accordingly, a follow-up letter requesting the outstanding information was issued on 8 January 2026. On 23 January 2026, a supplementary letter response with substantiating documentation was received.
56. I assessed the additional information received and identified that further information was required to conclude my assessment. Accordingly, I issued a follow-up letter on 29 January 2026, requesting the outstanding information. The accounting officer provided additional responses and substantiating documentation on 6 February 2026, 4 March 2026, and 7 March 2026. On 16 February 2026, the accounting officer also provided an investigation report that was completed in relation to the matter.
57. I duly assessed the responses and substantiating documentation provided between January 2026 and March 2026 and noted that progress has been demonstrated toward the implementation of the remedial action and execution of the directive, as the investigation has been completed, consequence management is in progress and the steps are in process to recover the financial loss through legal action. Based on the outcome of my

assessment, I have decided to grant the accounting officer additional time up to 31 August 2026 to complete the actions in progress and to continue with the implementation of the remedial action and execution of the directive. I notified the accounting officer of my decision on 18 March 2026, and the accounting officer was required to provide a progress report on the status of the actions being taken to implement the remedial action and execute the directive by 31 May 2026.

58. The accounting officer submitted a progress update on 24 March 2026 and I provided feedback on 8 April 2026 regarding the additional information to be submitted with the progress report that was due by end of May 2026. The accounting officer submitted a formal progress report on 3 July 2026 and I provided feedback on 19 July 2026 on the shortcomings identified and the substantiating documentation to be submitted with the final response due on 31 August 2026, in support of the implementation of the remedial action and execution of the directive.

Overpayment to supplier for services in Wolmaransstad extensions 17 and 18 (MI 02 of 2020-21)

59. The department entered into a contract with a supplier for the design and installation of internal services for 3 422 sites in Wolmaransstad extensions 17 and 18 within the Maquassi Hills Local Municipality on 8 October 2018 for an amount of R149 404 082. The department did not implement appropriate internal control measures for the payment of invoices relating to this service. This contravened treasury regulation 8.1.1, which requires internal procedures and internal control measures to be put in place for the approval and processing of payments. These controls should provide reasonable assurance that all expenditure is necessary, is appropriate, is paid promptly and is adequately recorded and reported on.
60. The non-compliance resulted in a total overpayment of R6 764 797 to the supplier in excess of the value of work certified at the date of the claims. This is likely to result in a material financial loss for the department should these overpayments not be recovered from the supplier.
61. The accounting officer was notified of this MI on 12 October 2021 and invited to make a written submission on the actions that have been or will be taken to address the matter. The accounting officer initiated an investigation to review all payments made to the supplier and planned to involve the external investigations unit of the Office of the Premier during August 2022 to finalise the investigation and determine who might be liable for the MI. The accounting officer also issued a letter of intention to recover the overpaid amounts on 29 June 2022 to the supplier.
62. I had referred the MI to the DPCI on 5 February 2024 for investigation, as provided for in

section 5(1A) of the PAA. The DPCI acknowledged the referred matter on the same date. Based on the latest report received from the DPCI on 6 March 2025, the investigation is still ongoing.

63. I further recommended that the accounting officer take the following further actions to address the MI, which should be implemented by 28 February 2024:
- a) Appropriate action should be taken to investigate the non-compliance with treasury regulation 8.1.1 to determine the circumstances that led to the non-compliance for the purpose of taking appropriate corrective action.
 - b) To finalise the quantification of the financial loss as it relates to the overpayment, the quantification process should include investigating and retrieving the missing documentation needed to complete the quantification of the loss, and outlining steps to address the root cause of any documents still missing.
 - c) All persons, including juristic persons, liable for the financial loss should be identified and appropriate action should commence to recover the financial loss suffered. The recovery process should not be unduly delayed.
 - d) Effective and appropriate disciplinary steps should be initiated, without undue delay, against any official that the investigation finds to be responsible, as required by section 38(1)(h) of the PFMA.
64. A progress report on the implementation of the recommendations was submitted with substantiating documentation on the implementation of recommendations on 4 March 2024. However, on 26 April 2024, I requested additional information and/or documentation to complete the assessment. A supplementary response was received on 18 May 2024. The following actions were taken to implement the recommendations:
- a) An investigation was conducted into the non-compliance and although no officials were identified to be responsible, two officials were verbally reprimanded for not exercising care and due diligence in performing their duties.
 - b) A detailed analysis of payments made to the service provider from the 2018-19 to 2023-24 financial years was conducted and the quantification of the financial loss was made through analysing the Basic Accounting System (BAS) report including each payment made to the service provider. Therefore, the quantification of the full extent of the loss was appropriately addressed and the overpayments of R2 790 961 and R6 764 797 were recovered on 11 August 2023 from the service provider.
 - c) The accounting officer approved an addendum to the housing development project policy to standardise processes for claims, contract management, payments and reconciliations. In addition, a payment checklist with three levels of review was developed for use by the finance department to strengthen invoice verification and improve project milestone

monitoring. These actions demonstrate that the accounting officer implemented appropriate control measures to address weaknesses that had previously led to overpayments.

65. The actions taken by the accounting officer to implement the recommendation are deemed appropriate and have addressed the recommendation. However, the matter is still under investigation by the DPCI and I will continue to follow up and report on the progress with this investigation. I notified the accounting officer and the executive authority on 6 September 2024 of my determination on the implementation of the recommendations.

Auditor-General
Rustenburg

31 July 2026



Annexure to the auditor's report

The annexure includes the following:

The auditor-general's responsibility for the audit

The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures

are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Sections 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(f); 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(1); 43(4); 44; 45(b)
Treasury Regulations, 2005	Regulations 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1; 8.1.1; 8.2.1; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; 19.8.4
Construction Industry Development Board Regulations, 2004	Regulations 17; 25(7A)
Division of Revenue Act 2 of 2025	Sections 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); 16(3)(a)(ii)(bb)
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraphs 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 2 of 2021/22	Paragraphs 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Regulations, 2022	Regulations 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Public Service Regulations, 2016	Regulations 18(1); 18(2); 25(1)(e)(i); 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998	Section 7(3)

HUMAN SETTLEMENTS

VOTE 14

APPROPRIATION STATEMENT
for the year ended 31 March 2026

Appropriation per programme									
2025/26									
2024/25									

HUMAN SETTLEMENTS

VOTE 14

APPROPRIATION STATEMENT
for the year ended 31 March 2026

	2025/26		2024/25	
	Final Budget	Actual Expenditure	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	1,939		241	
NRF Receipts	-		-	
Aid assistance	-		-	
Actual amounts per Statement of Financial Performance (Total revenue)	1,857,649		2,044,551	

HUMAN SETTLEMENTS

VOTE 14

APPROPRIATION STATEMENT
for the year ended 31 March 2026

ADD	Aid assistance	-	-	2,039,843
Prior year unauthorised expenditure approved without funding				
Actual amounts per Statement of Financial Performance (Total expenditure)		1,839,447		2,039,843

Appropriation per economic classification

2025/26							2024/25	
Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
							R'000	R'000
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000

HUMAN SETTLEMENTS

VOTE 14

APPROPRIATION STATEMENT
for the year ended 31 March 2026

Current payments	245,649	(2,919)	-	242,730	239,981	2,749	98.9%	230,373	227,050
Compensation of employees	171,618	3,684	777	176,079	173,378	2,701	98.5%	163,621	160,638
Goods and services	74,031	(6,603)	(777)	66,651	66,603	48	99.9%	66,682	66,353
Interest and rent on land	-	-	-	-	-	-	-	70	59
Transfers and subsidies	1,603,790	(200)	-	1,603,590	1,592,144	11,446	99.3%	1,810,276	1,809,197
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	44,753	-	-	44,753	44,753	-	100.0%	44,753	44,753
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1,559,037	(200)	-	1,558,837	1,547,391	11,446	99.3%	1,765,523	1,764,444

HUMAN SETTLEMENTS

VOTE 14

APPROPRIATION STATEMENT
for the year ended 31 March 2026

Payments for capital assets	6,271	3,119	-	9,390	7,322	2,068	78.0%	3,661	3,596
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6,271	3,119	-	9,390	7,322	2,068	78.0%	3,661	3,596
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1,855,710	-	-	1,855,710	1,839,447	16,263	99.1%	2,044,310	2,039,843

HUMAN SETTLEMENTS

VOTE 14

APPROPRIATION STATEMENT
for the year ended 31 March 2026

Programme 1: ADMINISTRATION									
2025/26									
2024/25									
Adjusted Budget		Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
R'000		R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1.	CORPORATE SERVICES	188,046	-	2,438	186,787	3,697	98.1%	183,303	182,664
TOTAL		188,046	-	2,438	186,787	3,697	98.1%	183,303	182,664
Economic classification									
Current payments		136,087	(2,919)	2,438	134,147	1,459	98.9%	134,050	133,550

HUMAN SETTLEMENTS

VOTE 14

APPROPRIATION STATEMENT
for the year ended 31 March 2026

Compensation of employees	84,518	2,084	1,559	88,161	86,578	1,583	98.2%	81,821	81,326
Goods and services	51,569	(5,003)	879	47,445	47,569	(124)	100.3%	52,229	52,224
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	45,688	(200)	-	45,488	45,318	170	99.6%	45,592	45,518
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	44,753	-	-	44,753	44,753	-	100.0%	44,753	44,753
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	935	(200)	-	735	565	170	76.9%	839	765
Payments for capital assets	6,271	3,119	-	9,390	7,322	2,068	78.0%	3,661	3,596

VOTE 14

APPROPRIATION STATEMENT
for the year ended 31 March 2026

Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	6,271	3,119	-	9,390	7,322	2,068	78.0%
Heritage assets	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-
Total	188,046	-	2,438	190,484	186,787	3,697	98.1%
						183,303	182,664

HUMAN SETTLEMENTS

VOTE 14

APPROPRIATION STATEMENT
for the year ended 31 March 2026

Programme 2: HOUSNG NEEDS,PLANNING AND RESEARCH

	2025/26							2024/25	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. ADMINISTRATION: HOUSE PLANNING RESEARCH	18,199	-	(285)	17,914	18,419	(505)	102.8%	14,637	14,501
2. POLICY	2,527	-	(454)	2,073	2,135	(62)	103.0%	2,285	1,913
3. PLANNING	11,989	-	(874)	11,115	10,114	1,001	91.0%	9,195	8,888
4. RESEARCH	4,741	-	(48)	4,693	4,487	206	95.6%	4,195	3,968
TOTAL	37,456	-	(1,661)	35,795	35,155	640	98.2%	30,312	29,270

VOTE 14

APPROPRIATION STATEMENT
for the year ended 31 March 2026

[illegible]

VOTE 14

APPROPRIATION STATEMENT
for the year ended 31 March 2026

Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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HUMAN SETTLEMENTS

VOTE 14

APPROPRIATION STATEMENT
for the year ended 31 March 2026

Programme 3: HOUSING DEVELOPMENT									
2025/26									
2024/25									
Adjusted Budget		Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1.	ADMINISTRATION: HOUSING DEVELOPMENT	72,280	-	(777)	71,503	70,853	99.1%	66,652	64,688
2.	FINANCIAL INTERVENTION	93,703	(8,177)	-	85,526	94,766	110.8%	135,059	119,698
3.	INCREMENTAL INTERVENTIONS	943,779	38,889	-	982,668	1,125,936	114.6%	1,051,671	1,146,997
4.	RURAL INTERVENTIONS	396,434	(15,255)	-	381,179	224,111	58.8%	386,687	311,847
5.	PROVINCIAL INTERVENTION	124,012	(15,457)	-	108,555	101,839	93.8%	190,626	184,679

HUMAN SETTLEMENTS

VOTE 14

APPROPRIATION STATEMENT
 for the year ended 31 March 2026

	1,630,208	-	(777)	1,629,431	1,617,505	11,926	99.3%	1,830,695	1,827,909
TOTAL									
Economic classification									
Current payments	72,106	-	(777)	71,329	70,679	650	99.1%	66,252	64,400
Compensation of employees	55,400	1,600	-	57,000	56,376	624	98.9%	55,000	53,229
Goods and services	16,706	(1,600)	(777)	14,329	14,303	26	99.8%	11,252	11,171
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1,558,102	-	-	1,558,102	1,546,826	11,276	99.3%	1,764,443	1,763,509
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-

VOTE 14

APPROPRIATION STATEMENT
for the year ended 31 March 2026

Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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HUMAN SETTLEMENTS

VOTE 14

APPROPRIATION STATEMENT
for the year ended 31 March 2026

Payments for financial assets	-	-	-	-	-	-	-	-	-	-
Total	1,630,208	-	(777)	1,629,431	1,617,505	11,926	99.3%	1,830,695	1,827,909	-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE APPROPRIATION STATEMENT**
for the year ended 31 March 2026**1 Detail of transfers and subsidies as per Appropriation Act (after Virement):**

Detail of these transactions can be viewed in the note on Transfers and subsidies and Annexure 1 (A-H) to the Annual Financial Statements.

2 Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3 Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note to Payments for financial assets to the Annual Financial Statements.

4 Explanations of material variances from Amounts Voted (after virement):**4.1 Per programme**

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Programme name				
ADMINISTRATION	190,484	186,787	3,697	98%

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HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE APPROPRIATION STATEMENT**
for the year ended 31 March 2026

The difference is due to savings relating to COE and amount relating to network cabling of offices which could not be done at year end.

Programme name

HOUSING NEEDS, PLANNING AND RESEARCH	35,795	35,155	640	98%
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The difference is due to savings relating to COE

Programme name

HOUSING DEVELOPMENT	1,629,431	1,617,505	11,926	99%
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The difference is due to savings relating to COE, as well as payments that could not go through at year end due to system closure relating to projects.

(In the case of surpluses on programmes, a detailed explanation must be given as to whether it is as a result of a saving or underspending.)

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE APPROPRIATION STATEMENT**
for the year ended 31 March 2026**4.2 Per economic classification**

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	176,079	173,378	2,701	98%
Goods and services	66,651	66,603	48	100%
Interest and rent on land				
Transfers and subsidies				
Provinces and municipalities				
Departmental agencies and accounts	44,753	44,753	-	100%
Higher education institutions				
Public corporations and private enterprises				
Foreign governments and international organisations				
Non-profit institutions				
Households	1,558,837	1,547,391	11,446	99%
Payments for capital assets				
Buildings and other fixed structures				
Machinery and equipment	9,390	7,322	2,068	78%
Heritage assets				

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2026**

Specialised military assets

Biological assets

Land and subsoil assets

Intangible assets

Payments for financial assets

The difference is due to savings relating to COE and amount relating to cabling of offices that work was not done at year end, as well as payments that could not go through at year end due to system closure relating to projects.

4.3	Per conditional grant	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
		R'000	R'000	R'000	%

Only show the conditional grants applicable to the department

HUMAN SETTLEMENT DEVELOPMENT GRANT	1,302,986	1,299,274	3,712	100%
INFORM SETTL UPGR PART GRNT PROV	254,942	247,379	7,563	97%

HSDG and ISUPG payments could not go through at year end due to system closure relating to projects.

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2026

4.4	Per Statutory Appropriation	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
		R'000	R'000	R'000	%

Explanation of variance

HUMAN SETTLEMENTS

VOTE 14

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2026

		2025/26	2024/25
	Note	R'000	R'000
REVENUE			
Annual appropriation	1	1,855,710	2,044,310
Statutory appropriation	2	-	-
Departmental revenue	3	1,939	241
NRF Receipts		-	-
Aid assistance		-	-
TOTAL REVENUE		1,857,649	2,044,551
EXPENDITURE			
Current expenditure			
Compensation of employees	5	173,378	160,638
Goods and services	6	66,605	66,353
Interest and rent on land	7	-	59
Aid assistance	4	-	-
Total current expenditure		239,983	227,050
Transfers and subsidies			
Transfers and subsidies	9	1,592,144	1,809,197
Aid assistance	4	-	-

HUMAN SETTLEMENTS

VOTE 14

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2026

Total transfers and subsidies		1,592,144	1,809,197
Expenditure for capital assets			
Tangible assets	10	7,320	3,596
Intangible assets	10	-	-
Total expenditure for capital assets		7,320	3,596
Unauthorised expenditure approved without funding		-	-
Payments for financial assets	8	-	-
TOTAL EXPENDITURE		1,839,447	2,039,843
SURPLUS/(DEFICIT) FOR THE YEAR		18,202	4,708
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		16,263	4,467
Annual appropriation		4,986	3,645
Statutory Appropriation			-
Conditional grants		11,277	822
Departmental revenue and NRF Receipts	19	1,939	241
Aid assistance	4	-	-
Capitalisation reserve			-
SURPLUS/(DEFICIT) FOR THE YEAR		18,202	4,708

HUMAN SETTLEMENTS**VOTE 14****STATEMENT OF FINANCIAL POSITION**
as at 31 March 2026

		2025/26	2024/25
	Note	R'000	R'000
ASSETS			
Current Assets		16,703	4,611
Cash and cash equivalents	11	16,113	4,196
Other financial assets	12	-	-
Prepayments and advances	13	-	-
Receivables	14	590	415
Loans	16	-	-
Voted funds receivable	17	-	-
Statutory Appropriation receivable	18	-	-
Aid assistance prepayments	4	-	-
Aid assistance receivable	4	-	-
Non-Current Assets		-	-
Investments	15	-	-
Prepayments and advances	13	-	-
Receivables	14	-	-
Loans	16	-	-
Other financial assets	12	-	-

HUMAN SETTLEMENTS**VOTE 14****STATEMENT OF FINANCIAL POSITION**
as at 31 March 2026

TOTAL ASSETS	16,703	4,611
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LIABILITIES

Current Liabilities	16,699	4,611
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Voted funds to be surrendered to the Revenue Fund	17	16,263	4,467
Statutory Appropriation to be surrendered to the Revenue Fund	18	-	-
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	19	122	85
Bank overdraft	20	-	-
Payables	21	314	59
Aid assistance repayable	4	-	-
Aid assistance unutilised	4	-	-

Non-Current Liabilities

Payables	22	-	-
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TOTAL LIABILITIES	16,699	4,611
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NET ASSETS	4	-
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Represented by:

HUMAN SETTLEMENTS

VOTE 14

STATEMENT OF FINANCIAL POSITION
as at 31 March 2026

Capitalisation reserve	-	-
Recoverable revenue	4	-
Retained funds	-	-
Revaluation reserves	-	-
Unauthorised expenditure	-	-
TOTAL	4	-
	Well done, Pos balances	Well done, Pos balances

HUMAN SETTLEMENTS

VOTE 14

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2026

		2025/26	2024/25
	Note	R'000	R'000
Capitalisation Reserves			
Opening balance		-	-
Transfers:			
Movement in Equity			-
Movement in Operational Funds			-
Other movements			-
Closing balance		-	-
Recoverable revenue			
Opening balance		-	15
Transfers		4	(15)
Recoverable revenue written off	8.3		-
Debts revised			-
Debts recovered (included in departmental revenue)		4	(15)
Debts raised			-
Closing balance		4	-
Retained funds			
Opening balance		-	-
Transferred from voted funds to be surrendered (Parliament/Legislatures ONLY)			-

HUMAN SETTLEMENTS**VOTE 14****STATEMENT OF CHANGES IN NET ASSETS**
for the year ended 31 March 2026

Transferred from CARA Funds	-	-
Utilised during the year	-	-
Other	-	-
Closing balance	-	-
Revaluation Reserves		
Opening balance	-	-
Revaluation adjustment (Housing departments)	-	-
Transfers	-	-
Other	-	-
Closing balance	-	-
Unauthorised expenditure		
Opening balance	-	-
Unauthorised expenditure - current year	-	-
Relating to overspending of the vote or main division within the vote		-
Incurred not in accordance with the purpose of the vote or main division		-
Less: Amounts approved by Parliament/Legislature with funding		-
Less: Amounts approved by Parliament/Legislature without funding and derecognised	-	-
Current		-
Capital		-
Transfers and subsidies		-

HUMAN SETTLEMENTS

VOTE 14

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2026

Less: Amounts recoverable		-
Less: Amounts written off		-
Closing balance	-	-
TOTAL	4	-

HUMAN SETTLEMENTS

VOTE 14

CASH FLOW STATEMENT
for the year ended 31 March 2026

		2025/26	2024/25
	Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,857,504	2,044,578
Annual appropriated funds received	1.1	1,855,710	2,044,310
Statutory appropriated funds received	2	-	-
Departmental revenue received	3	1,794	268
Interest received	3.3	-	-
NRF Receipts		-	-
Aid assistance received	4	-	-
Net (increase)/ decrease in working capital		80	(2,963)
(Surrendered to) / Received from the Revenue Fund	17,18,19	(6,478)	(90,167)
Surrendered to RDP Fund/Donor		-	-
Current payments		(239,983)	(226,991)
Interest paid	7	-	(59)
Payments for financial assets	8	-	-
Transfers and subsidies paid		(1,592,144)	(1,809,197)
Net cash flow available from operating activities	23	18,979	(84,799)
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	-
Payments for capital assets	10	(7,320)	(3,596)

HUMAN SETTLEMENTS**VOTE 14****CASH FLOW STATEMENT**
for the year ended 31 March 2026

Proceeds from sale of capital assets	3.4	254	77
(Increase)/ decrease in loans	16	-	-
(Increase)/ decrease in investments	15	-	-
(Increase)/ decrease in other financial assets	12	-	-
(Increase)/decrease in non-current receivables	14		-
(Increase)/decrease in non-current prepayments and advances	13		-
Net cash flows from investing activities		(7,066)	(3,519)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		4	(15)
Increase/ (decrease) in non-current payables	22	-	-
Net cash flows from financing activities		4	(15)
Net increase/ (decrease) in cash and cash equivalents		11,917	(88,333)
Cash and cash equivalents at beginning of period		4,196	92,529
Unrealised gains and losses within cash and cash equivalents			-
Cash and cash equivalents at end of period	24	16,113	4,196

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026**PART A: ACCOUNTING POLICIES****Summary of significant accounting policies**

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

- 1 Basis of preparation** [Financial Statement Presentation] The financial statements have been prepared in accordance with the Modified Cash Standard.
- 2 Going concern** [Financial Statement Presentation] The financial statements have been prepared on a going concern basis.
- 3 Presentation currency** [Financial Statement Presentation] Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
- 4 Rounding** [Financial Statement Presentation] Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
- 5 Foreign currency translation** [Cash Flow Statement, Expenditure, Revenue] Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
- 6 Comparative information**
 - 6.1 Prior period comparative information** [Financial Statement Presentation] Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
 - 6.2 Current year comparison with budget** [Appropriation Statement] A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the Appropriation Statement.
- 7 Revenue**
 - 7.1 Appropriated funds** [Revenue, General Departmental Assets and Liabilities] Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation, which are direct charges against the Revenue Fund authorised in terms of enabling legislation). Appropriated funds are recognised as revenue in the Statement of Financial Performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the Statement of Financial Performance on the date those adjustments become effective. Appropriated funds are measured at the amounts receivable. The net amount of any appropriated funds due to / from the relevant Revenue Fund at the reporting date is recognised as a payable / receivable in the Statement of Financial Position.

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

7.2 Departmental revenue [Revenue, General Departmental Assets and Liabilities] Departmental revenue is recognised in the Statement of Financial Performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Departmental revenue is measured at the cash amount received. In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the Statement of Financial Position.

7.3 Accrued departmental revenue [General Departmental Assets and Liabilities] Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: - it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and - the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.

8 Expenditure**8.1 Compensation of employees**

8.1.1 Salaries and wages [Expenditure] Salaries and wages are recognised in the Statement of Financial Performance on the date of payment.

8.1.2 Social contributions [Expenditure] Social contributions made by the department in respect of current employees are recognised in the Statement of Financial Performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the Statement of Financial Performance on the date of payment.

8.2 Other expenditure [Expenditure] Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the Statement of Financial Performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold. Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.

8.3 Accruals and payables not recognised [General Departmental Assets and Liabilities] Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.

8.4 Leases

8.4.1 Operating leases [Leases] Operating lease payments made during the reporting period are recognised as current expenditure in the Statement of Financial Performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.

8.4.2 Finance leases [Leases] Finance lease payments made during the reporting period are recognised as capital expenditure in the Statement of Financial Performance on the date of payment. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. At commencement of the finance lease term, finance lease assets acquired are recorded and measured at: - the fair value of the leased asset; or if lower, - the present value of the minimum lease payments. Finance lease assets acquired prior to 1 April 2024, are recorded and measured at the present value of the minimum lease payments.

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026**9 Aid assistance**

9.1 Aid assistance received [Revenue, General Departmental Assets and Liabilities] Aid assistance received in cash is recognised in the Statement of Financial Performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. CARA Funds are recognised when receivable and measured at the amounts receivable. Aid assistance not spent for the intended purpose and any unspent funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the Statement of Financial Position.

9.2 Aid assistance paid [Expenditure, General Departmental Assets and Liabilities] Aid assistance paid is recognised in the Statement of Financial Performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the Statement of Financial Position.

10 Cash and cash equivalents [General Departmental Assets and Liabilities, Cash Flow Statement] Cash and cash equivalents are stated at cost in the Statement of Financial Position. Bank overdrafts are shown separately on the face of the Statement of Financial Position as a current liability. For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11 Prepayments and advances [General Departmental Assets and Liabilities] Prepayments and advances are recognised in the Statement of Financial Position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. Prepayments and advances expensed before 1 April 2024 are recorded until the goods, services, or capital assets are received, or the funds are utilised in accordance with the contractual agreement.

12 Loans and receivables [General Departmental Assets and Liabilities] Loans and receivables are recognised in the Statement of Financial Position at cost plus accrued interest, where interest is charged, less amounts already settled or written off. Write-offs are made according to the department's write-off policy.

13 Investments [General Departmental Assets and Liabilities] Investments are recognised in the Statement of Financial Position at cost.

14 Financial assets

14.1 Financial assets (not covered elsewhere) [General Departmental Assets and Liabilities] A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written off.

14.2 Impairment of financial assets [General Departmental Assets and Liabilities] Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

15 Payables [General Departmental Assets and Liabilities] Payables recognised in the Statement of Financial Position are recognised at cost.

16 Capital assets

16.1 Immovable capital assets [Capital Assets] Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value [or R1000 for specific assets per MCS 11.72A] where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026**

or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

16.2 Movable capital assets [Capital Assets] Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. [Add this sentence on biological assets if the department has elected to revalue its biological assets at reporting date] Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

16.3 Intangible capital assets [Capital Assets] Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

16.4 Project costs: Work-in-progress [Capital Assets] Expenditure of a capital nature is initially recognised in the Statement of Financial Performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

17 Provisions and contingents

17.1 Provisions [Provisions and Contingents] Provisions are recorded in the notes to the financial statements when a present legal or constructive obligation exists as a result of past events, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

17.2 Contingent liabilities [Provisions and Contingents] Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

17.3 Contingent assets [Provisions and Contingents] Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

17.4 Capital commitments [Provisions and Contingents] Capital commitments are recorded at cost in the notes to the financial statements.

18 Unauthorised expenditure [General Departmental Assets and Liabilities] Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure. Unauthorised expenditure is recognised in the Statement of Changes in Net Assets

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026**

until such time as the expenditure is either: - approved by Parliament or the Provincial Legislature with funding and the related funds are received; or - approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or - transferred to receivables for recovery. Unauthorised expenditure recorded in the notes to the financial statements comprise of - unauthorised expenditure that was under assessment in the previous financial year; - unauthorised expenditure relating to previous financial year and identified in the current year; and - unauthorised expenditure incurred in the current year.

- 19 Fruitless and wasteful expenditure** [General Departmental Assets and Liabilities] Fruitless and wasteful expenditure receivables are recognised in the Statement of Financial Position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written off as irrecoverable. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of: - fruitless and wasteful expenditure that was under assessment in the previous financial year; - fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and - fruitless and wasteful expenditure incurred in the current year.
- 20 Irregular expenditure** [General Departmental Assets and Liabilities] Losses emanating from irregular expenditure are recognised as a receivable in the Statement of Financial Position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: - irregular expenditure that was under assessment in the previous financial year; - irregular expenditure relating to previous financial year and identified in the current year; and - irregular expenditure incurred in the current year.
- 21 Changes in accounting policies, estimates and errors** [Accounting Policies, Estimates and Errors] Changes in accounting policies are applied in accordance with MCS requirements. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
- 22 Events after the reporting date** [Events after the Reporting Date] Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
- 23 Principal-Agent arrangements** [Accounting by Principals and Agents] The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.
- 24 Departures from the MCS requirements** [Preface to the Modified Cash Standard] [Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.]
- 25 Capitalisation reserve** The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the Statement of Financial Position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

- 26 Recoverable revenue** Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the Statement of Financial Performance when written off.
- 27 Related party transactions** [Related Party Disclosures] Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The full compensation of key management personnel is recorded in the notes to the financial statements.
- 28 Inventories (Effective from date determined by the Accountant-General)** [Inventories] At the date of acquisition, inventories are recognised at cost in the Statement of Financial Performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.
- 29 Public-Private Partnerships** [Financial Statement Presentation] Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
- 30 Employee benefits** [General Departmental Assets and Liabilities] [Provisions and Contingents] The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
- 31 Transfer of functions** [Transfer of Functions] Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer. Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.
- 32 Mergers** [Mergers] Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger. Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1. Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

		2025/26			2024/25		
		Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
Programmes		R'000	R'000	R'000	R'000	R'000	R'000
1)	ADMINISTRATION	188,046	188,046	-	183,303	183,303	-
2)	HOUSNG NEEDS, PLANNING AND RESEARCH	37,456	37,456	-	30,312	30,312	-
3)	HOUSING DEVELOPMENT	1,630,208	1,630,208	-	1,830,695	1,830,695	-
Total		1,855,710	1,855,710	-	2,044,310	2,044,310	-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

1.2 Conditional grants**

		2025/26	2024/25
	Note	R'000	R'000
Total grants received	45	1,557,928	1,764,043
Provincial grants included in Total Grants received		1,557,928	1,764,043

2 Statutory Appropriation

	2025/26	2024/25
	R'000	R'000
Total	-	-
Actual Statutory Appropriation received		-
Statutory Appropriation not requested / not received		-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

3 Departmental Revenue

		2025/26	2024/25
	Note	R'000	R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	3.1	131	121
Fines, penalties and forfeits	3.2	-	-
Interest, dividends and rent on land	3.3	-	-
Sales of capital assets	3.4	254	77
Transactions in financial assets and liabilities	3.5	1,663	147
Transfers received	3.6	-	-
Total revenue collected		2,048	345
Less: Own revenue included in appropriation	19	109	104
Departmental revenue collected		1,939	241

3.1 Sales of goods and services other than capital assets

		2025/26	2024/25
	Note	R'000	R'000
Sales of goods and services produced by the department		131	121

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Sales by market establishment		-	-
Administrative fees		-	-
Other sales		131	121
Sales of scrap, waste and other used current goods		-	-
Total	3	131	121

3.2 Fines, penalties and forfeits

		2025/26	2024/25
	<i>Note</i>	R'000	R'000
Fines		-	-
Penalties		-	-
Forfeits		-	-
Total	3	-	-

3.3 Interest, dividends and rent on land

		2025/26	2024/25
	<i>Note</i>	R'000	R'000
Interest		-	-
Dividends		-	-
Rent on land		-	-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Total	3	-	-
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3.4 Sales of capital assets

		2025/26	2024/25
	Note	R'000	R'000
Tangible capital assets		254	77
Buildings and other fixed structures		-	-
Machinery and equipment		254	77
Heritage assets		-	-
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Intangible capital assets		-	-
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total	3	254	77

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026**3.5 Transactions in financial assets and liabilities**

		2025/26	2024/25
	<i>Note</i>	R'000	R'000
Loans and advances		-	-
Receivables		-	-
Forex gain		-	-
Other Receipts including Recoverable Revenue		1,663	147
Gains on GFECRA		-	-
Total	3	1,663	147

3.6 Transfers received

		2025/26	2024/25
	<i>Note</i>	R'000	R'000
Other governmental units		-	-
Higher education institutions		-	-
Foreign governments		-	-
International organisations		-	-
Public corporations and private enterprises		-	-
Households and non-profit institutions		-	-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Total	3	-	-
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3.6.1 Gifts, donations and sponsorships received in-kind (not included in the main note or sub note)

		2025/26	2024/25
	Note	R'000	R'000
ANNEXURE 1H			
Gifts		-	-
Donations		-	-
Sponsorships		-	-
Total		-	-

3.7 Cash received not recognised (not included in the main note)

	2025/26			
Name of entity	Opening balance	Amount received	Amount paid to Revenue Fund	Closing balance
	R'000	R'000	R'000	R'000
	-			-
Total	-	-	-	-

Cash received not recognised (not included in the main note)

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

2024/25

Name of entity	Opening balance	Amount received	Amount paid to Revenue Fund	Closing balance
	R'000	R'000	R'000	R'000
	-	-	-	-
Total	-	-	-	-

4 Aid Assistance

	Note	2025/26 R'000	2024/25 R'000
Opening Balance		-	-
Prior period error			
As restated		-	-
Transferred from Statement of Financial Performance		-	-
Transferred to/from retained funds			-
Paid during the year			-
Closing Balance		-	-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

4.1 Analysis of balance by source

		2025/26	2024/25
	Note	R'000	R'000
Aid assistance from RDP			-
Aid assistance from other sources			-
CARA Funds			-
Closing Balance	4	-	-

4.2 Analysis of balance

		2025/26	2024/25
	Note	R'000	R'000
Aid assistance receivable			-
Aid assistance prepayments (Not expensed)			-
Aid assistance unutilised			-
Aid assistance repayable			-
Closing balance	4	-	-
Aid assistance not requested/not received			-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

4.2.1 Aid assistance prepayments (expensed)

2025/26				
	Amount as at 1 April 2025	Less: Received in the current year	Less: Other	Amount as at 31 March 2026
	R'000	R'000	R'000	R'000
Goods and services	-			-
Interest and rent on land	-			-
Transfers and subsidies	-			-
Capital assets	-			-
Other	-			-
Closing balance	-	-	-	-
Aid assistance prepayments (expensed)				

2024/25				
	Amount as at 1 April 2024	Less: Received in the current year	Add/Less: Other	Amount as at 31 March 2025
	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	-	-	-	-
Other	-	-	-	-
Closing balance	-	-	-	-

4.3 Prior period error

2024/25

R'000

 Nature of prior period error

Relating to 20WW/XX (affecting the opening balance) -

Relating to 2024/25 -

Total prior period errors -

4.4 Aid assistance expenditure per economic classification

		2025/26	2024/25
	Note	R'000	R'000
Current		-	-
Capital	10	-	-
Transfers and subsidies		-	-
Total aid assistance expenditure		-	-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026**ANNEXURE**
11**4.5 Aid assistance received in kind (not included in the main note)**

	2025/26	2024/25
	R'000	R'000
List aid assistance received in kind		
		-
Total aid assistance received in kind	-	-

5 Compensation of Employees**5.1 Salaries and wages**

	2025/26	2024/25
Note	R'000	R'000
Basic salary	122,456	113,018
Performance award	-	-
Service Based	171	65
Compensative/circumstantial	811	916
Periodic payments	-	-
Other non-pensionable allowances	23,458	21,105
Total	146,896	135,104

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026**5.2 Social Contributions**

	2025/26	2024/25
Note	R'000	R'000
Employer contributions		
Pension	15,430	15,403
Medical	10,853	9,837
UIF	-	-
Bargaining council	40	35
Official unions and associations	-	-
Insurance	159	259
Total	26,482	25,534
Total compensation of employees	173,378	160,638
Average number of employees	305	297

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026**6 Goods and services**

		2025/26	2024/25
	Note	R'000	R'000
Administrative fees		1,589	935
Advertising		1,099	690
Minor assets	6.1	72	3
Bursaries (employees)		345	676
Catering		1,059	812
Communication		1,736	1,518
Computer services	6.2	277	1,033
Consultants: Business and advisory services		4,821	3,315
Infrastructure and planning services		-	-
Laboratory services		-	-
Scientific and technological services		-	-
Legal services		5,266	7,714
Contractors		27	-
Agency and support / outsourced services		-	-
Entertainment		-	-
Audit cost – external	6.3	12,111	12,731
Fleet services		2,175	2,254

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Inventories	6.4	-	-
Consumables	6.5	3,179	2,628
Housing		-	-
Operating leases		13,253	15,177
Property payments	6.6	1,816	3,924
Rental and hiring		124	-
Transport provided as part of the departmental activities		-	-
Travel and subsistence	6.7	15,868	11,929
Venues and facilities		1,084	505
Training and development		419	303
Other operating expenditure	6.8	285	206
Total		66,605	66,353

6.1 Minor assets

	2025/26	2024/25
Note	R'000	R'000
Tangible capital assets	72	3
Buildings and other fixed structures	-	-
Biological assets	-	-
Heritage assets	-	-
Machinery and equipment	72	3

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Land and subsoil assets	-	-
Specialised military assets	-	-
Intangible capital assets	-	-
Software	-	-
Mastheads and publishing titles	-	-
Patents, licences, copyright, brand names, trademarks	-	-
Recipes, formulae, prototypes, designs, models	-	-
Services and operating rights	-	-
Total	6	72
		3

6.2 Computer services

		2025/26	2024/25
	Note	R'000	R'000
SITA computer services		277	1,033
External computer service providers		-	-
Total	6	277	1,033

6.3 Audit cost – external

		2025/26	2024/25
	Note	R'000	R'000

HUMAN SETTLEMENTS**VOTE 14**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Regularity audits		12,111	12,731
Performance audits		-	-
Investigations		-	-
Environmental audits		-	-
Computer audits		-	-
Total	6	12,111	12,731

6.4 Inventories

		2025/26	2024/25
	Note	R'000	R'000
Clothing material and accessories		-	-
Farming supplies		-	-
Food and food supplies		-	-
Fuel, oil and gas		-	-
Learning and teaching support material		-	-
Materials and supplies		-	-
Medical supplies		-	-
Medicine		-	-
Medsas inventory interface		-	-
Other supplies	6.4.1	-	-
Total	6	-	-

HUMAN SETTLEMENTS**VOTE 14**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

6.4.1 Other Supplies

Ammunition and security supplies	-	-
Assets for distribution	-	-
Machinery and equipment	-	-
School furniture	-	-
Sports and recreation	-	-
Library material	-	-
Other assets for distribution	-	-
Other	-	-
Total	6.4	
	-	-

6.5 Consumables

	2025/26	2024/25
Note	R'000	R'000
Consumable supplies	792	538
Uniform and clothing	-	-
Household supplies	789	538
Building material and supplies	-	-
Communication accessories	-	-
IT consumables	-	-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Other consumables		3	-
Stationery, printing and office supplies		2,387	2,090
Total	6	3,179	2,628

6.6 Property payments

		2025/26	2024/25
	Note	R'000	R'000
Municipal services		-	-
Property management fees		-	-
Property maintenance and repairs		1,807	536
Other		9	3,388
Total	6	1,816	3,924

6.7 Travel and subsistence

		2025/26	2024/25
	Note	R'000	R'000
Local		15,482	11,901
Foreign		386	28
Total	6	15,868	11,929

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026**6.8 Other operating expenditure**

		2025/26	2024/25
	Note	R'000	R'000
Professional bodies, membership and subscription fees		-	-
Resettlement costs		-	-
Other		285	206
Total	6	285	206

6.9 Remuneration of members of a commission or committee of inquiry (Included in Consultants: Business and advisory services)

	2025/26	2024/25
	R'000	R'000
Name of Commission / Committee of inquiry		
	-	-
Total	-	-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

7 Interest and Rent on Land

		2025/26	2024/25
	Note	R'000	R'000
Interest paid		-	59
Rent on land		-	-
Total		-	59

8 Payments for financial assets

		2025/26	2024/25
	Note	R'000	R'000
Material losses through criminal conduct		-	-
Theft	8.4	-	-
Other material losses	8.1	-	-
Purchase of equity		-	-
Extension of loans for policy purposes		-	-
Other material losses written off	8.2	-	-
Debts written off	8.3	-	-
Forex losses	8.5	-	-
Debt take overs		-	-
Losses on GFECRA		-	-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Total			
		-	-

8.1 Other material losses

		2025/26	2024/25
	Note	R'000	R'000

Nature of other material losses

(Group major categories, but list material items)

			-
			-
Total	8	-	-

8.2 Other material losses written off

		2025/26	2024/25
	Note	R'000	R'000

Nature of losses

(Group major categories, but list material items)

			-
			-
Total	8	-	-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

8.3 Debts written off

		2025/26	2024/25
	Note	R'000	R'000
Nature of debts written off			
(Group major categories, but list material items: (debt written off relating to irregular expenditure, debt written off relating to recoverable revenue and other debts written off must be listed.)			
Irregular expenditure written off			
Total	8	-	-
Recoverable revenue written off			
Total		-	-
Other debt written off			
Total		-	-
Total debt written off		-	-

8.4 Details of theft

		2025/26	2024/25
	Note	R'000	R'000
Nature of theft			
			-
Total	8	-	-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026**8.5 Forex losses**

		2025/26	2024/25
	Note	R'000	R'000
Nature of losses			
(Group major categories, but list material items)			
			-
Total	8	-	-

9 Transfers and Subsidies

		2025/26	2024/25
	Note	R'000	R'000
Provinces and municipalities	46, 47		-
Departmental agencies and accounts	ANNEXURE 1B	-	-
Higher education institutions	ANNEXURE 1C	-	-
Foreign governments and international organisations	ANNEXURE 1E	-	-
Public corporations and private enterprises	ANNEXURE 1D	44,753	44,753
Non-profit institutions	ANNEXURE 1F	-	-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Households	ANNEXURE 1G	1,547,391	1,764,444
Total		1,592,144	1,809,197

9.1 Gifts, donations and sponsorships made in kind (not included in the main note)

		2025/26	2024/25
	Note	R'000	R'000
ANNEXURE 1J			
Gifts		-	-
Donations		1,221	754
Sponsorships		-	-
Total		1,221	754

10 Expenditure for capital assets

		2025/26	2024/25
	Note	R'000	R'000
Tangible capital assets		7,320	3,596
Buildings and other fixed structures		-	-
Heritage assets		-	-
Machinery and equipment		7,320	3,596
Specialised military assets		-	-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Land and subsoil assets	-	-
Biological assets	-	-
Intangible capital assets	-	-
Software	-	-
Mastheads and publishing titles	-	-
Patents, licences, copyright, brand names, trademarks	-	-
Recipes, formulae, prototypes, designs, models	-	-
Services and operating rights	-	-
Total	7,320	3,596

The following amounts have been included as project costs in Expenditure for capital assets:

Compensation of employees	-
Goods and services	-
Total	-

10.1 Analysis of funds utilised to acquire capital assets

	2025/26		
	Voted Funds	Aid assistance	TOTAL
	R'000	R'000	R'000
Tangible capital assets	7,320	-	7,320
Buildings and other fixed structures			-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Heritage assets		-
Machinery and equipment	7,320	7,320
Specialised military assets		-
Land and subsoil assets		-
Biological assets		-
Intangible capital assets	-	-
Software		-
Mastheads and publishing titles		-
Patents, licences, copyright, brand names, trademarks		-
Recipes, formulae, prototypes, designs, models		-
Services and operating rights		-
Total	7,320	-

10.2 Analysis of funds utilised to acquire capital assets

	2024/25		
	Voted Funds	Aid assistance	TOTAL
	R'000	R'000	R'000
Tangible capital assets	3,596	-	3,596
Buildings and other fixed structures	-	-	-
Heritage assets	-	-	-

HUMAN SETTLEMENTS**VOTE 14**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Machinery and equipment	3,596	-	3,596
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible capital assets	-	-	-
Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
	-	-	-
Total	3,596	-	3,596

10.3	Finance lease expenditure included in Expenditure for capital assets	R'000	R'000
		2025/26	2024/25
	Buildings and other fixed structures		-
	Heritage assets		-
	Machinery and equipment	352	710
	Specialised military assets		-
	Land and subsoil assets		-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Biological assets		-
Total	352	710

11 Cash and Cash Equivalents

	2025/26	2024/25
Note	R'000	R'000
Consolidated Paymaster General Account	16,113	4,196
Cash receipts	-	-
Disbursements	-	-
Cash on hand	-	-
Investments (Domestic)	-	-
Investments (Foreign)	-	-
Total	16,113	4,196

Indicate the amount of significant cash and cash equivalent balances held by the department that are not available for use

Indicate any amounts of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities; and the amount and nature of restricted cash balances.

12 Other Financial Assets

	2025/26	2024/25
Note	R'000	R'000
Current		

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Local			
Total		-	-
Foreign			
Total		-	-
Total Current other financial assets		-	-
		2025/26	2024/25
	Note	R'000	R'000
Non-Current			
Local			
Total		-	-
Foreign			
Total		-	-
Total Non-Current other financial assets		-	-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

**13 Prepayments and
Advances**

		2025/26	2024/25
	Note	R'000	R'000
Staff advances		-	-
Travel and subsistence		-	-
Prepayments (Not expensed)	13.2	-	-
Advances paid (Not expensed)	13.1	-	-
SOCPEN advances		-	-
Total		-	-
Analysis of Total Prepayments and advances			
Current Prepayments and advances			-
Non-current Prepayments and advances			-
Total		-	-

**13.1 Advances paid
(Not expensed)**

Note	Balance as at 1 April 2025	Less: Amount expensed in current year	Add/Less: Other	Add: Current Year advances	Balance as at 31 March 2026
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HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

13	R'000	R'000	R'000	R'000	R'000
National departments		-			-
Provincial departments		-			-
Public entities		-			-
Other institutions		-			-
Total		-	-	-	-

Provide a brief explanation on the nature and extent of goods, services or capital assets not received at year end.

	Note	Balance as at 1 April 2024	Less: Amount expensed in current year	Add/Less: Other	Add: Current Year advance	Balance as at 31 March 2025
Advances paid (Not expensed)	13	R'000	R'000	R'000	R'000	R'000
National departments			-	-	-	-
Provincial departments			-	-	-	-
Public entities			-	-	-	-
Other institutions			-	-	-	-
Total			-	-	-	-

**13.2 Prepayments
(Not expensed)**

Note	Balance as at 1 April 2025	Less: Amount expensed	Add/Less: Other	Add: Current Year	Balance as at 31 March 2026
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HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

		in current year		prepayment s	
13	R'000	R'000	R'000	R'000	R'000
Listed by economic classification					
Goods and services		-			-
Interest and rent on land		-			-
Transfers and subsidies		-			-
Capital assets		-			-
Other		-			-
Total		-	-	-	-

Provide a brief explanation on the nature and extent of goods, services or capital assets not received at year end.

	Note	Balance as at 1 April 2024	Less: Amount expensed in current year	Add/Less: Other	Add: Current Year prepayment s	Balance as at 31 March 2025
Prepayments (Not expensed)	13	R'000	R'000	R'000	R'000	R'000
Listed by economic classification						
Goods and services			-	-	-	-
Interest and rent on land			-	-	-	-
Transfers and subsidies			-	-	-	-
Capital assets			-	-	-	-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Other	-	-	-	-	-
Total	-	-	-	-	-

**13.3 Prepayments
(Expensed)**

	Balance as at 1 April 2025	Less: Received in the current year	Less: Other	Amount as at 31 March 2026
	R'000	R'000	R'000	R'000
Listed by economic classification				
Goods and services		-		-
Interest and rent on land		-		-
Transfers and subsidies		-		-
Capital assets		-		-
Other		-		-
Total		-	-	-

Provide a brief explanation on the nature and extent of goods, services or capital assets not received at year end.

	Balance as at 1 April 2024	Less: Received in the current year	Add/Less: Other	Amount as at 31 March 2025
	R'000	R'000	R'000	R'000
Prepayments (Expensed)				

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Listed by economic
classification

Goods and services	-	-	-	-
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

**13.4 Advances paid
(Expensed)**

	Balance as at 1 April 2025	Less: Received in the current year	Less: Other	Amount as at 31 March 2026
	R'000	R'000	R'000	R'000
National departments		-		-
Provincial departments		-		-
Public entities		-		-
Other institutions		-		-
Total		-	-	-

Provide a brief explanation on the nature and extent of goods, services or capital assets not received at year end.

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

	Balance as at 1 April 2024	Less: Received in the current year	Add/Less: Other	Amount as at 31 March 2025		
Advances paid (Expensed)	R'000	R'000	R'000	R'000		
National departments		-	-	-		
Provincial departments		-	-	-		
Public entities		-	-	-		
Other institutions		-	-	-		
Total		-	-	-		
		2025/26		2024/25		
	Current	Non-current	Total	Current	Non-current	Total

14 Receivables

	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	14.1	546		546	415	-	415
Trade receivables	14.2			-	-	-	-
Recoverable expenditure	14.3			-	-	-	-
Staff debt	14.4	44		44	-	-	-
Other receivables	14.5			-	-	-	-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Total	590	-	590	415	-	415
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14.1 Claims recoverable

		2025/26	2024/25
	Note	R'000	R'000
National departments			-
Provincial departments		546	396
Foreign governments			-
Public entities			-
Private enterprises			19
Higher education institutions			-
Households and non-profit institutions			-
Local governments			-
Total	14	546	415

14.2 Trade receivables

		2025/26	2024/25
	Note	R'000	R'000
(Group major categories, but list material items)			
			-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Total	14	-	-
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14.3 Recoverable expenditure

		2025/26	2024/25
	Note	R'000	R'000
(Group major categories, but list material items)			
Total	14	-	-

14.4 Staff debt

		2025/26	2024/25
	Note	R'000	R'000
(Group major categories, but list material items)			
Tax debt,lost laptops etc		44	-
Total	14	44	-

14.5 Other receivables

		2025/26	2024/25
	Note	R'000	R'000
(Group major categories, but list material items)			
Unauthorised expenditure			-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
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Irregular expenditure			-
Fruitless and wasteful expenditure			-
Total	14	-	-

14.6 Impairment of receivables

	2025/26	2024/25
Note	R'000	R'000
Estimate of impairment of receivables		-
Total	-	-

15 Investments

	2025/26	2024/25
Note	R'000	R'000

Non-Current**Shares and other equity**

(List investments at cost)

Total	-	-
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	2025/26	2024/25
Note	R'000	R'000
Securities other than shares	Annex 2A	

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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(List investments at cost)

Total	-	-
Total non-current investments	-	-
	2025/26	2024/25
	R'000	R'000
Analysis of non current investments		
Opening balance	-	-
Additions in cash		-
Disposals for cash		-
Non-cash movements		-
Closing balance	-	-

15.1 Impairment of investments

	2025/26	2024/25
	R'000	R'000
Estimate of impairment of investments		-
Total	-	-

16 Loans

2025/26 2024/25

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

	<i>Note</i>	R'000	R'000
Public corporations		-	-
Higher education institutions		-	-
Foreign governments		-	-
Private enterprises		-	-
Non-profit institutions		-	-
Staff loans		-	-
Total		-	-
		2025/26	2024/25
	<i>Note</i>	R'000	R'000
Analysis of Balance of Loans			
Opening balance		-	-
New Issues			-
Repayments			-
Write-offs			-
Closing balance		-	-

16.1 Impairment of loans

	2025/26	2024/25
Note	R'000	R'000
Estimate of impairment of loans		-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Total	-	-
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17 Voted Funds to be surrendered to the Revenue Fund / (Voted funds receivable)

		2025/26	2024/25
	<i>Note</i>	R'000	R'000
Opening balance		4,467	89,834
Prior period error	17.2		
As restated		4,467	89,834
Transfer from Statement of Financial Performance (as restated)		16,263	4,467
Add: Unauthorised expenditure for current year			-
Voted funds not requested/not received	1.1	-	-
Transferred to retained revenue to defray excess expenditure	17.1		-
Received / (Paid) during the year		(4,467)	(89,834)
Closing balance		16,263	4,467

17.1 Voted funds/(Excess expenditure) transferred to the retained funds

		2025/26	2024/25
	<i>Note</i>	R'000	R'000
Opening balance			-

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Transfer from the Statement of Financial Performance			-	
Transfer from Departmental Revenue to defray excess expenditure		19	-	
Closing balance		17	-	-
				2024/25
17.2	Prior period error			R'000
Nature of prior period error		17		
Relating to 20WW/XX (affecting the opening balance)			-	
Relating to 2024/25			-	
Total			-	
17.3	Reconciliation of unspent conditional grants	Note	R'000	R'000
			2025/26	2024/25
Opening balance			822	88,905
Total conditional grants received		1.2	1,557,928	1,764,043
Total conditional grants spent			(1,546,653)	(1,763,221)
Unspent conditional grants to be surrendered			12,097	89,727
Less: Paid to the Provincial Revenue Fund by Provincial department			(803)	(88,905)
Approved for rollover			(640)	(57,899)

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Not approved for rollover	(163)	(31,006)
Closing balance	11,294	822

18 Statutory Appropriation to be surrendered to the Revenue Fund / (Statutory Appropriation receivable)

		2025/26	2024/25
	Note	R'000	R'000
Opening balance		-	-
Prior period error	18.1		
As restated		-	-
Transfer from Statement of Financial Performance (as restated)		-	-
Statutory Appropriation not requested / not received	2	-	-
Received / (Paid) during the year			-
Closing balance		-	-

18.1 Prior period error

		2024/25
		R'000
Nature of prior period error	18	
Relating to 20WW/XX (affecting the opening balance)		-
Relating to 2024/25		-
Total		-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

19 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

		2025/26	2024/25
	Note	R'000	R'000
Opening balance		85	73
Prior period error	19.1		
As restated		85	73
Transfer from Statement of Financial Performance (as restated)		1,939	241
Own revenue included in appropriation		109	104
Transfer from aid assistance	4		-
Transfer to voted funds to defray expenditure	17.1		-
Paid during the year		(2,011)	(333)
Closing balance		122	85

19.1 Prior period error

		2024/25
		R'000
Nature of prior period error	19	
Relating to 20WW/XX (affecting the opening balance)		-
Relating to 2024/25		-
Total		-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026**20 Bank Overdraft**

		2025/26	2024/25
	Note	R'000	R'000
Consolidated Paymaster General Account			-
Fund requisition account			-
Overdraft with commercial banks (Local)			-
Overdraft with commercial banks (Foreign)			-
Total		-	-

21 Payables - current

		2025/26	2024/25
	Note	R'000	R'000
Amounts owing to other entities		-	-
Advances received	21.1	-	-
Clearing accounts	21.2	314	59
Other payables	21.3	-	-
Total		314	59

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026**21.1 Advances received**

		2025/26	2024/25
	Note	R'000	R'000
National departments	Annex 8B	-	-
Provincial departments	Annex 8B	-	-
Public entities	Annex 8B	-	-
Other institutions	Annex 8B	-	-
Total	21	-	-

21.2 Clearing accounts

		2025/26	2024/25
	Note	R'000	R'000
(Identify major categories, but list material amounts)			
			-
SAL: Income tax		128	50
Payable:(ADV)		186	9
			-
Total	21	314	59

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

21.3 Other payables

		2025/26	2024/25
	Note	R'000	R'000
(Identify major categories, but list material amounts)			
			-
Total	21	-	-
		2025/26	2024/25
		One to two years	Two to three years
		Older than three years	Total
		Total	

22 Payables – non-current

	Note	R'000	R'000	R'000	R'000	R'000
Amounts owing to other entities					-	-
Advances received	22.1				-	-
Other payables	22.2				-	-
Total			-	-	-	-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026**22.1 Advances received**

		2025/26	2024/25
	Note	R'000	R'000
National departments	Annex 8B	-	-
Provincial departments	Annex 8B	-	-
Public entities	Annex 8B	-	-
Other institutions	Annex 8B	-	-
Total	22	-	-

22.2 Other payables

		2025/26	2024/25
	Note	R'000	R'000
(Identify major categories, but list material amounts)			
Total	22	-	-

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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23 Net cash flow available from operating activities

	2025/26	2024/25
Note	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	18,202	4,708
Add back non cash/cash movements not deemed operating activities	777	(89,507)
(Increase)/decrease in receivables	(175)	(72)
(Increase)/decrease in prepayments and advances	-	-
(Increase)/decrease in other current assets	-	-
Increase/(decrease) in payables – current	255	(2,891)
Proceeds from sale of capital assets	(254)	(77)
Proceeds from sale of investments	-	-
(Increase)/decrease in other financial assets	-	-
Expenditure on capital assets	7,320	3,596
Surrenders to / Received from the Revenue Fund	(6,478)	(90,167)
Surrenders to RDP Fund/Donor	-	-
Voted funds not requested/not received	-	-
Statutory Appropriation not requested/not received	-	-
Own revenue included in appropriation	109	104
Other non-cash items	-	-
Net cash flow generated by operating activities	18,979	(84,799)

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

24 Reconciliation of cash and cash equivalents for cash flow purposes

	2025/26	2024/25
Note	R'000	R'000
Consolidated Paymaster General account	16,113	4,196
Fund requisition account	-	-
Cash receipts	-	-
Disbursements	-	-
Cash on hand	-	-
Cash with commercial banks (Local)	-	-
Cash with commercial banks (Foreign)	-	-
Total	16,113	4,196

25 Contingent liabilities and contingent assets

25.1 Contingent liabilities

		2025/26	2024/25
		R'000	R'000
Liable to	Nature		
Motor vehicle guarantees	Employees	Annex 3A	-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Housing loan guarantees	Employees	Annex 3A	-	
Other guarantees		Annex 3A	-	
Claims against the department		Annex 3B	304,930	304,930
Intergovernmental contingent liabilities		Annex 5	-	
Environmental rehabilitation liability		Annex 3B	-	
Other		Annex 3B	-	
Total			304,930	304,930

Provide brief description on the uncertainties relating to the amount or timing of any outflow.

Provide a brief discussion on the possibility of any reimbursement.

Where the disclosure requirements of the Standards are not done due to impracticalities and or the sensitivity of the information, disclose this fact with reasons.

		2025/26	2024/25
25.2 Contingent assets			
Nature of contingent asset	Note	R'000	R'000
KING AND ASSOCIATE(Recovery of overpayment)		6,646	-
MTHINI ATTORNEYS (Recovery of payment made for land never transferred per the agreement)		5,282	-
Total		11,928	-

Where the disclosure requirements of the Standards are not done due to impracticalities, and or the sensitivity of the information, disclose this fact with reasons.

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

26 Capital commitments

		2025/26	2024/25
	Note	R'000	R'000
Buildings and other fixed structures			-
Heritage assets			-
Machinery and equipment		-	7
Specialised military assets			-
Land and subsoil assets			-
Biological assets			-
Intangible assets			-
Total		-	7

Where the disclosure requirements of the Standards are not done due to impracticalities and or the sensitivity of the information, disclose this fact with reasons.

27 Accruals and payables not recognised**27.1 Accruals**

				2025/26	2024/25
				R'000	R'000
Listed by economic classification	30 days	30+ days	Total		Total

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Goods and services	2,915	2,439	5,354	4,725
Interest and rent on land			-	-
Transfers and subsidies	11,576	4,422	15,998	7,797
Capital assets			-	-
Other			-	-
Total	14,491	6,861	21,352	12,522
			2025/26	2024/25
		Note	R'000	R'000
Intergovernmental accruals (included above)		Annex 5	1,735	-
Include reasons for material accruals				

	2025/26			2024/25
27.2 Payables not recognised				
	30 days	30+ days	Total	Total
Listed by economic classification	R'000	R'000	R'000	R'000
Goods and services	663	8	671	841
Interest and rent on land			-	-
Transfers and subsidies	67,594	259,048	326,642	483,053
Capital assets			-	-
Other			-	-
Total	68,257	259,056	327,313	483,894

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

		2025/26	2024/25
	Note	R'000	R'000
Intergovernmental payables not recognised (included above)	Annex 5	1,735	-

28 Employee benefits

		2025/26	2024/25
	Note	R'000	R'000
Leave entitlement		10,789	10,110
Service bonus		5,165	4,756
Performance awards		-	-
Capped leave		6,910	6,734
Other		222	145
Total		23,086	21,745
		2025/26	2024/25
	Note	R'000	R'000
Intergovernmental employee benefits (included above)	Annex 5	-	-

Leave entitlement R10 789 085,80 consists of gross leave entitlement of R10 812 385,20 less R23 299,40 Other Consists of Long term service

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

29 Lease commitments

29.1 Operating leases

	2025/26				Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year			10,959	1,041	12,000
Later than 1 year and not later than 5 years			-	745	745
Later than five years			-	-	-
Total lease commitments	-	-	10,959	1,786	12,745
	2024/25				Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	9,962	996	10,958
Later than 1 year and not later than 5 years	-	-	-	1,195	1,195
Later than five years	-	-	-	-	-
Total lease commitments	-	-	9,962	2,191	12,153

Provide a general description of material leasing arrangements

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Provide a general discussion on any assets that are sub-leased (if any), indicating the nature of the asset and the lessee (occupant/user of the asset).

	2025/26	2024/25
	R'000	R'000
Rental earned on sub-leased assets	3	-
Total	-	-

Provide an indication as to whether a reduction in the lease payments was granted in lieu of actual cash from the sale of the asset in a sale and leaseback arrangement.

29.2 Finance leases

**

	2025/26				Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year				-	-
Later than 1 year and not later than 5 years					-
Later than five years					-
Total lease commitments	-	-	-	-	-
	2024/25				Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	352	352

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	352	352

** This note excludes leases relating to public private partnerships as they are separately disclosed in the note on Public Private Partnerships

Provide a general description of the material leasing arrangements

Provide a general discussion on any assets that are sub-leased (if any), indicating the nature of the asset and the lessee (occupant/user of the asset).

	2025/26	2024/25
	R'000	R'000
Rental earned on sub-leased assets	3	-
Total	-	-

Provide a description of renewal or purchase options as well as escalation clauses (if any) per lease agreement.

Describe any restrictions imposed by on the department through any lease agreement (such as restrictions relating to enhancements, repairs & maintenance, sub-leasing and disposal)

Provide an indication as to whether a reduction in the lease payments was granted in lieu of actual cash from the sale of the asset in a sale and leaseback arrangement.

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

**29.3 Operating lease
future revenue**

	2025/26				Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year					-
Later than 1 year and not later than 5 years					-
Later than five years					-
Total operating lease revenue receivable	-	-	-	-	-
	2024/25				Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total operating lease revenue receivable	-	-	-	-	-

Provide a general description of material leasing arrangements including renewal or purchase options and escalation clauses (if any)

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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30 Accrued departmental revenue

		2025/26	2024/25
	Note	R'000	R'000
Tax revenue			-
Sales of goods and services other than capital assets			-
Fines, penalties and forfeits			-
Interest, dividends and rent on land			-
Sale of capital assets			-
Transactions in financial assets and liabilities			-
Transfers received			-
Other			-
Total		-	-

30.1 Analysis of accrued departmental revenue

		2025/26	2024/25
	Note	R'000	R'000
Opening balance			-
Less: Amounts received			-
Less: Services received in lieu of cash			-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
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Add: Amounts recorded		-
Less: Amounts written-off/reversed as irrecoverable		-
Less: Amounts transferred to receivables for recovery		-
Other (Specify)		-
Closing balance	<u>-</u>	<u>-</u>

30.2 Accrued department revenue written off

	2025/26	2024/25
Note	R'000	R'000
Nature of losses		
(Group major categories, but list material items)		
Total	<u>-</u>	<u>-</u>

30.3 Impairment of accrued departmental revenue

	2025/26	2024/25
Note	R'000	R'000
Estimate of impairment of accrued departmental revenue		-
Total	<u>-</u>	<u>-</u>

Indicate the methodology applied by the department to calculate the impairment loss.

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026**31 Unauthorised, Irregular and Fruitless and wasteful expenditure**

	2025/26	2024/25
Note	R'000	R'000
Unauthorised expenditure	-	-
Irregular expenditure	1,433,370	1,636,909
Fruitless and wasteful expenditure	2	1,256
Total	1,433,372	1,638,165

Information on any criminal or disciplinary steps taken as a result of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report.

32 Related party transactions

	2025/26	2024/25
Note	R'000	R'000
Revenue received		
Tax revenue		-
Sales of goods and services other than capital assets		-
Fines, penalties and forfeits		-
Interest, dividends and rent on land		-
Sales of capital assets		-
Transactions in financial assets and liabilities		-

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Transfers received		-
Total	-	-
Payments made		
Compensation of employees		-
Goods and services		-
Interest and rent of land		-
Expenditure for capital assets		-
Payments for financial assets		-
Transfers and subsidies		-
Total	-	-
	2025/26	2024/25
	R'000	R'000
	Note	

Year end balances arising from revenue/payments

Receivables from related parties		-
Payables to related parties		-
Total	-	-
	2025/26	2024/25
	R'000	R'000
	Note	

Loans to/from related parties

Non-interest bearing loans to/(from)		-
Interest bearing loans to/(from)		-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
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Total	-	-
	2025/26	2024/25
Note	R'000	R'000

Other

Guarantees issued/received -

List other contingent liabilities between department and related party

Total	-	-
	2025/26	2024/25
Note	R'000	R'000

In-kind goods and services (provided)/received

List in kind goods and services between department and related party

Total	-	-
--------------	---	---

List related party relationships and the nature thereof

MEC Coghsta, HOD, Chief Directors, Directors and their close family members, North West Housing Corporation, a schedule 3C entity of the Department, all provincial departments, trading entities, schedules 3C and 3D public entities as well as the provincial legislature. Monies paid to NWHC are disclosed under transfers and subsidies. The Department of Public works and Cogta are providing the Department with office accommodation at no cost. Department of Cogta is under the leadership of the same MEC as the Department of Human Settlements. There were no additional related party transactions between the Department and its related parties other than those already disclosed in note 33. All transactions were at arms length.

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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33 Key management personnel

	2025/26	2024/25
	R'000	R'000
Political office bearers (provide detail below)		-
Officials:		-
Level 13-14	23,478	20,568
Level 15	1,995	1,916
		-
Family members of key management personnel		-
Total	25,473	22,484
	2025/26	2024/25
	R'000	R'000
Key management personnel (Parliament/Legislatures)		
Speaker to Parliament/the Legislature		-
Deputy Speaker to Parliament/the Legislature		-
Secretary to Parliament/ the Legislature		-
Deputy Secretary		-
Chief Financial Officer		-
Legal Advisor		-
Other		-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Total		
	-	-

34 Public Private Partnership

	2025/26	2024/25
Note	R'000	R'000
Concession fee received	-	-
Base fee received		-
Variable fee received		-
Other fees received... please specify		-
Unitary fee paid	-	-
Fixed component		-
Indexed component		-
Analysis of indexed component	-	-
Compensation of employees		-
Goods and Services(excluding lease payments)		-
Operating leases		-
Interest		-
Capital/(Liabilities)	-	-
Tangible rights		-
Intangible rights		-
Property		-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
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Plant and equipment	-
Loans	-
Other	-
Prepayments and advances	-
Pre-production obligations	-
Other obligations	-

Any guarantees issued by the department are disclosed in Note on Contingent Liabilities

Provide a summary of the significant terms of the agreement, along with the parties to the agreement, and the date of commencement thereof

35 Impairment (Other than receivables, accrued departmental revenue, loans and investments)

	2025/26	2024/25
Note	R'000	R'000
Please specify		-
Total	-	-

36 Provisions

	2025/26	2024/25
Note	R'000	R'000
Please specify		-
Total	-	-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026**36.1 Reconciliation of movement in provisions**

2025/26					
	Provision 1	Provision 2	Provision 3	Provision 4	Total provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance					-
Increase in provision					-
Settlement of provision					-
Unused amount reversed					-
Reimbursement expected from third party					-
Change in provision due to change in estimation of inputs					-
Closing balance	-	-	-	-	-
Reconciliation of movement in provisions					
2024/25					
	Provision 1	Provision 2	Provision 3	Provision 4	Total provisions
	R'000	R'000	R'000	R'000	R'000

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Opening balance	-	-	-	-	-
Increase in provision	-	-	-	-	-
Settlement of provision	-	-	-	-	-
Unused amount reversed	-	-	-	-	-
Reimbursement expected from third party	-	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-	-
Closing balance	-	-	-	-	-

Where the disclosure requirements of the Standards are not done due to the sensitivity of the information, disclose this fact with reasons.

2025/26

37 Non-adjusting events after reporting date

Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.

R'000

Total	-
--------------	---

38 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2026

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Opening balance	Value adjustmen ts	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-			-	-
Heritage assets	-				-
MACHINERY AND EQUIPMENT	27,081		7,648	2,183	32,546
Transport assets	8,255		2,753	463	10,545
Computer equipment	13,088		2,234	1,620	13,702
Furniture and office equipment	3,078		776	66	3,788
Other machinery and equipment	2,660		1,885	34	4,511
SPECIALISED MILITARY ASSETS	-		-	-	-
Specialised military assets	-				-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-				-
FINANCE LEASE ASSETS	1,225		-	1,225	-
Finance lease assets	1,225		-	1,225	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	28,306	-	7,648	3,408	32,546

Finance leased cellphones of the value of R512 000 expired before year end and were derecognised as Finance lease and were accounted for as Other Machinery and equipment

Movable Tangible Capital Assets under investigation

HUMAN SETTLEMENTS**VOTE 14**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Number	Value
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		R'000
Heritage assets	-	-
Machinery and equipment	112	1,323
Specialised military assets		
Biological assets		

During the asset verification process, it was observed that several assets were unaccounted for, with no prior loss reports submitted to Asset Management. In response, the Asset Management Team is currently undertaking a detailed investigation focused exclusively on assets flagged under the ongoing asset investigation list

38.1 Movement for 2024/25

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	25,217	-	2,886	1,022	27,081
Transport assets	8,255	-	-	-	8,255
Computer equipment	11,998	-	2,036	946	13,088

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
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Furniture and office equipment	2,368		762	52	3,078
Other machinery and equipment	2,596		88	24	2,660
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-		-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-		-	-	-
FINANCE LEASE ASSETS	1,870	23	-	668	1,225
Finance lease assets	1,870	23	-	668	1,225
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	27,087	23	2,886	1,690	28,306

2024/25

38.1.1 Prior period error

R'000

Nature of prior period error

Relating to 2024/25 (affecting the opening balance)

23

Finance lease

23

Relating to 2024/25

-

Total**23**

Cellphones received on the 26/03/2025 were not accounted for in the prior year

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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38.2 Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2026

	Speci alise d milita ry asset s	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance		-	-	-	2,935	-	- 2,935
Value adjustments							-
Additions					75		75
Disposals					193		193
TOTAL MINOR CAPITAL ASSETS		-	-	-	2,817	-	- 2,817
	Speci alise d milita ry asset s	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
Number of R1 minor assets					-		-
Number of minor assets at cost					1,376		1,376

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

TOTAL NUMBER OF MINOR ASSETS	-	-	-	1,376	-	-	1,376
------------------------------	---	---	---	-------	---	---	-------

Minor Capital Assets under investigation
--

Number

Value

Included in the above total of the minor capital assets per the asset register are assets that are under investigation:

R'000

Specialised military assets

Intangible assets

Heritage assets

Machinery and equipment

295

579

Biological assets

During the asset verification process, it was observed that several assets were not accounted for, with no prior loss reports submitted to Asset Management. In response, the Asset Management Team is currently undertaking a detailed investigation focused exclusively on assets flagged under the ongoing asset investigation list

Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
Specialised military assets						
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	3,110	-	3,110

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Prior period error	-	-	-	-	-	-	-
Additions	-	-	-	3	-	-	3
Disposals	-	-	-	178	-	-	178
TOTAL MINOR CAPITAL ASSETS	-	-	-	2,935	-	-	2,935

	Speci alise d milita ry asset s	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
Number of R1 minor assets	-	-	-	1	-	-	1
Number of minor assets at cost	-	-	-	1,436	-	-	1,436
TOTAL NUMBER OF MINOR ASSETS	-	-	-	1,437	-	-	1,437

2024/25

38.2.1 Prior period error

R'000

Nature of prior
period error

Relating to 20WW/XX (affecting the opening balance)

-

Relating to
2024/25

-

Total

-

38.3 Movable capital assets written off

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2026

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off				69			69
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	69	-	-	69

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2025

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	446	-	-	446
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	446	-	-	446

Movable tangible capital assets: Capital Work-in-progress

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2026

	Note	Opening Balance 1 April 2025	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing Balance 31 March 2026
	Annexure 7	R'000	R'000	R'000	R'000
Heritage assets			-	-	-
Machinery and equipment			-	-	-
Specialised military assets			-	-	-
Biological assets			-	-	-
TOTAL			-	-	-
				2025/26	2024/25
Payables not recognised relating to Capital WIP				R'000	R'000
[Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in- progress]					-
Total				-	-

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2025

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Note	Opening Balance	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing Balance 31 March 2025
Annex ure 7	R'000	R'000	R'000	R'000	R'000
Heritage assets	-	-	-	-	-
Machinery and equipment	-	-	-	-	-
Specialised military assets	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL	-	-	-	-	-

**39 Intangible Capital
Assets**

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2026

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	-			-
MASTHEADS AND PUBLISHING TITLES	-			-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-			-

HUMAN SETTLEMENTS

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RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-
SERVICES AND OPERATING RIGHTS	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	-	-

Intangible Capital Assets under investigation		
	Number	Value
Included in the above total of the intangible capital assets per the asset register are assets that are under investigation:		R'000
Software		
Mastheads and publishing titles		
Patents, licences, copyright, brand names, trademarks		
Recipes, formulae, prototypes, designs, models		
Services and operating rights		

Provide reasons why assets are under investigation and actions being taken to resolve matters

Movement for 2024/25

39.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	-	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	-	-	-	-	-

2024/25

39.1.1 Prior period error

R'000

Nature of prior
period error

Relating to 20WW/XX (affecting the opening balance)

-

Relating to
2024/25

-

Total

-

Intangible capital assets: Capital Work-in-progress

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

39.2 CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2026

	Note	Opening Balance 1 April 2025	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing Balance 31 March 2026
	Annexure 7	R'000	R'000	R'000	R'000
Intangible assets			-	-	-
TOTAL			-	-	-
				2025/26	2024/25
Payables not recognised relating to Capital WIP				R'000	R'000
[Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in- progress]					-
Total				-	-

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2025

	Note	Opening Balance	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing Balance 31 March 2025
	Annexure 7	R'000	R'000	R'000	R'000	R'000
Intangible assets		-	-	-	-	-

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

TOTAL	-	-	-	-	-
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**40 Immovable Tangible
Capital Assets**

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2026

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-
Dwellings	-			-
Non-residential buildings	-			-
Other fixed structures	-			-
HERITAGE ASSETS	-	-	-	-
Heritage assets	-			-
LAND AND SUBSOIL ASSETS	-	-	-	-
Land	-			-
Mineral and similar non- regenerative resources	-			-
FINANCE LEASE ASSETS	-	-	-	-
Finance lease assets	-			-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	-	-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Immovable Tangible Capital Assets under investigation

Number

Value

Included in the above total of the immovable tangible capital assets per
the asset register are assets that are under investigation:

R'000

Buildings and other fixed structures**Heritage assets****Land and subsoil assets**

Provide reasons why assets are under investigation and actions being taken to resolve matters

Movement for 2024/25

**40.1 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER
ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025**

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-	-
Dwellings	-		-		-
Non-residential buildings	-		-		-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Other fixed structures	-	-	-	-	-
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-	-
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-	-
FINANCE LEASE ASSETS	-	-	-	-	-
Finance lease assets	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	-	-	-

2024/25

40.1.1 Prior period error

R'000

 Nature of prior period error

Relating to 20WW/XX (affecting the opening balance)

-

Relating to 2024/25

-

Total

-

Immovable tangible capital assets: Capital Work-in-progress

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

40.2 CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2026

	Note	Opening Balance 1 April 2025	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing Balance 31 March 2026
	Annexure 7	R'000	R'000	R'000	R'000
Heritage assets			-	-	-
Buildings and other fixed structures			-	-	-
Land and subsoil assets			-	-	-
TOTAL			-	-	-
				2025/26	2024/25
Payables not recognised relating to Capital WIP				R'000	R'000
[Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in- progress]					-
Total				-	-
CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2025					

	Note	Opening Balance	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing Balance 31 March 2025
	Annexure 7	R'000	R'000	R'000	R'000	R'000

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Heritage assets	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-
TOTAL	-	-	-	-	-

Immovable tangible capital assets written off

40.3 IMMOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2026

	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000
Immovable assets written off					-
TOTAL IMMOVABLE CAPITAL ASSETS WRITTEN OFF	-	-	-	-	-

IMMOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2025

	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Immovable assets written off	-	-	-	-	-
TOTAL IMMOVABLE CAPITAL ASSETS WRITTEN OFF	-	-	-	-	-

40.4 **Immovable capital assets (additional
information)**

Note

2025/26

2024/25

a	Unsurveyed land	Estimated completion date	Annexure 9	Area	Area
					-
b	Properties deemed vested		Annexure 9	Number	Number
	Land parcels				-
	Facilities				
	Schools				-
	Clinics				-
	Hospitals				-
	Office buildings				-
	Dwellings				-
	Storage facilities				-
	Other				-
c	Facilities on unsurveyed land	Duration of use	Annexure 9	Number	Number
	Schools				-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
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	Clinics				-
	Hospitals				-
	Office buildings				-
	Dwellings				-
	Storage facilities				-
	Other				-
d	Facilities on right to use land	Duration of use	Annexure 9	Number	Number
	Schools				-
	Clinics				-
	Hospitals				-
	Office buildings				-
	Dwellings				-
	Storage facilities				-
	Other				-
e	Agreement of custodianship		Annexure 9	Number	Number
	Land parcels				-
	Facilities				-
	Schools				-
	Clinics				-
	Hospitals				-
	Office buildings				-

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026

Dwellings	-
Storage facilities	-
Other	-

41 Principal-agent arrangements**41.1 Department acting as the principal**

	2025/26	2024/25
	R'000	R'000
North West Housing Corporation	-	8,702
Housing Development Agency	4,153	-
Total	4,153	8,702

The Department entered into agreement with Housing Development Agency (HAD) whereby HAD implement some of the Department's projects and R 4 153 000 was paid as at 31 March 2026. No payments were made to North West Housing Corporation in the current year relating to implementation of Department's projects.

There are cost implication associated with termination of the agreement.

41.2 Department acting as the agent

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026**41.2.1 Revenue received for agency activities**

	2025/26	2024/25
	R'000	R'000
Include a list of the entities for which the department acts as an agent and the amounts received for these agency duties		-
Total	-	-

For each of the individual principal-agent arrangements of the department, provide a description of the nature, circumstances, significant judgment applied, significant terms and conditions, any significant risks and benefits relating to the arrangements with the agents. For each of the individual agent relationships of the department, provide a description of the nature, circumstances and terms relating to the arrangements with the principal. In instances where the department has numerous agent-principal /principal-agent arrangements that are similar in nature, circumstances and terms, these can be grouped to provide a summary of the description of the nature, circumstances and terms relating to the similar arrangements.

41.2.2 Reconciliation of funds and disbursements

	2025/26	
Category of revenue/expenditure per arrangement	Total funds received	Expenditure incurred against funds
	R'000	R'000
Total	-	-

Reconciliation of funds and disbursements

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026**2024/25**

Category of revenue/expenditure per arrangement	Total funds received	Expenditure incurred against funds
	R'000	R'000
Total	-	-

Provide a narrative description and explanation of assets held or liabilities incurred on behalf of the principal and shown in the department's own financial statements.

41.2.3 Reconciliation of carrying amount of receivables and payables**2025/26****Receivables**

	Opening balance	Revenue principal is entitled to	Less: Write-offs/settlements/waivers	Cash received on behalf of principal	Closing balance
	R'000	R'000	R'000	R'000	R'000
Name of entity		-			-
TOTAL	-	-	-	-	-

Payables

Opening balance	Funds received	Expenses incurred on behalf of the principal	Cash paid on behalf of principal	Closing balance
-----------------	----------------	--	----------------------------------	-----------------

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
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	R'000	R'000	R'000	R'000	R'000
Name of entity		-			-
TOTAL	-	-	-	-	-

Reconciliation of carrying amount of receivables and payables

2024/25**Receivables**

	Opening balance	Revenue principal is entitled to	Less: Write- offs/settlem ents/waivers	Cash received on behalf of principal	Closing balance
	R'000	R'000	R'000	R'000	R'000
Name of entity		-	-	-	-
TOTAL	-	-	-	-	-

Payables

	Opening balance	Funds received	Expenses incurred on behalf of the principal	Cash paid on behalf of principal	Closing balance
	R'000	R'000	R'000	R'000	R'000
Name of entity		-	-	-	-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

TOTAL	-	-	-	-	-
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42 Changes in accounting estimates and Changes in accounting policies

42.1 Change in accounting estimate

During the year the following changes were made to the estimations employed in the accounting for transactions, assets, liabilities, events and circumstances

Value derived using the original estimate	Value derived using the amended estimate	R-value impact of change in estimate
---	--	---

Accounting estimate change 1: Provide a description of the change in estimate

Line item 1 affected by the change

Provide a description of the estimated impact on future periods

Value derived using the original estimate	Value derived using the amended estimate	R-value impact of change in estimate
---	--	---

Accounting estimate change 2: Provide a description of the change in estimate

Line item 1 affected by the change

Provide a description of the estimated impact on future periods

Value derived using the original estimate	Value derived using the amended estimate	R-value impact of change in estimate
---	--	---

Accounting estimate change 3: Provide a description of the change in estimate

HUMAN SETTLEMENTS**VOTE 14****NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
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Line item 1 affected by the change

Provide a description of the estimated impact on future periods

42.2 Changes in accounting policies

	Opening Balance before the change 1 April 2023	Adjustmen t to opening balance	Restated opening Balance after the change 1 April 2023	Adjustment for 2024/25	Restated closing Balance 31 March 2025
Nature of change in accounting policy	Note	R'000	R'000	R'000	R'000
Finance lease assets					
Movable Tangible Capital Assets	38			-	-
Intangible Capital Assets	39			-	-
Immovable Tangible Capital Assets	40			-	-
Minor Assets	38			-	-

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

2024/25

43 Prior period errors

	Note	Amount before error correction	Prior period error	Restated amount
		R'000	R'000	R'000
43.1 Correction of prior period errors				
Revenue: (e.g. Annual appropriation, Departmental revenue, Aid assistance, etc.)				
				-
Net effect		-	-	-
Provide a description of the nature of the prior period error as well as why the correction was required				
Expenditure: (e.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)				
Net effect		-	-	-
Provide a description of the nature of the prior period error as well as why the correction was required				
Assets: (e.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)				
Major Capital Assets (Leased Assets)	38	1,202	23	1,225
Net effect		1,202	23	1,225
Provide a description of the nature of the prior period error as well as why the correction was required				
Liabilities: (e.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)				
Contingent liabilities	25	296,124	8,806	304,930
Net effect		296,124	8,806	304,930
Summons were received before 31/03/2025 and were not included as part of contingent liabilities in the prior year				

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Other: (e.g. Unauthorised expenditure, Irregular expenditure, fruitless and wasteful expenditure, etc.)

-

Net effect

-

-

-

Provide a description of the nature of the prior period error as well as why the correction was required

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

44. Transfer of functions and mergers

44.1. Transfer of functions

44.1.1 Statement of Financial Position

Note	Balance before transfer date	Functions (transferred) / received Dept name (Specify)	Functions (transferred) / received Dept name (Specify)	Balance after transfer date
	R'000	R'000	R'000	R'000

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026[illegible]

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Investments	-	-	-	-	-	-
Prepayments and advances	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
TOTAL ASSETS	-	-	-	-	-	-
LIABILITIES	-	-	-	-	-	-
Current Liabilities	-	-	-	-	-	-
Voted funds to be surrendered to the Revenue Fund	-	-	-	-	-	-
Statutory Appropriation to be surrendered to the Revenue Fund	-	-	-	-	-	-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	-	-	-	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-
Aid assistance repayable	-	-	-	-	-	-	-	-	-
Aid assistance unutilised	-	-	-	-	-	-	-	-	-
Non-Current Liabilities	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-
NET ASSETS	-	-	-	-	-	-	-	-	-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

44.1.2 Notes

	Balance before transfer date	Functions (transferred) / received Dept name (Specify)	Functions (transferred) / received Dept name (Specify)	Functions (transferred) / received Dept name (Specify)	Balance after transfer date
	R'000	R'000	R'000	R'000	R'000
Contingent liabilities	-				-
Contingent assets	-				-
Capital commitments	-				-
Accruals	-				-
Payables not recognised	-				-
Employee benefits	-				-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

- Lease commitments - operating lease
- Lease commitments - finance lease
- Lease commitments - operating lease revenue
- Accrued departmental revenue
- Impairment
- Provisions
- Movable tangible capital assets
- Immovable tangible capital assets
- Intangible capital assets

Include discussion where deemed relevant

Provide a reference to the proclamation or declaration giving effect to the transfer or receipt of functions

HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Indicate whether there was an agreement drawn up, and provide a description of the roles, responsibilities and accountability arrangements

Disclose the revenue and expenditure attributable to the transfer of functions subsequent to the transfer.

Where the accounting for the transfer of functions is incomplete, include information as required by paragraph .40

44.2 Mergers

of the merger and the reason for undertaking the transaction or event.

44.2.1	Statement of Financial Position	Note	Balance bef merger date Combining Dept (Specify)	Balance bef merger date Combining Dept (Specify)	Balance bef merger date Combining Dept (Specify)	Balance after merger date Combined Dept (Specify)
			R'000	R'000	R'000	R'000

ASSETS

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Current Assets	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Prepayments and advances	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-	-	-
Voted funds receivable	-	-	-	-	-	-	-	-	-	-	-	-
Statutory Appropriation receivable	-	-	-	-	-	-	-	-	-	-	-	-
Aid assistance prepayments	-	-	-	-	-	-	-	-	-	-	-	-
Aid assistance receivable	-	-	-	-	-	-	-	-	-	-	-	-
Non-Current Assets	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Prepayments and advances

Receivables

Loans

Other financial assets

TOTAL ASSETS

LIABILITIES

Current Liabilities

Voted funds to be surrendered to the Revenue Fund

Statutory Appropriation to be surrendered to the Revenue Fund

Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Bank overdraft	-	-	-	-
Payables	-	-	-	-
Aid assistance repayable	-	-	-	-
Aid assistance unutilised	-	-	-	-
Non-Current Liabilities	-	-	-	-
Payables	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
NET ASSETS	-	-	-	-

44.2.2	Notes	Balance bef merger date Combining	Balance bef merger date Combining	Balance bef merger date Combining	Balance after merger date
--------	-------	---	---	---	------------------------------

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

	Dept (Specify)	Dept (Specify)	Dept (Specify)	Combined Dept (Specify)
	R'000	R'000	R'000	R'000
Contingent liabilities				-
Contingent assets				-
Capital commitments				-
Accruals				-
Payables not recognised				-
Employee benefits				-
Lease commitments - operating lease				-
Lease commitments - finance lease				-
Lease commitments - operating lease revenue				-

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Accrued departmental revenue

Impairment

Provisions

Movable tangible capital assets

Immovable tangible capital assets

Intangible capital assets

Include discussion where deemed relevant

Provide a reference to the proclamation or declaration giving effect to the merger along with the merger date.

Indicate whether there was an agreement drawn up, and provide a description of the roles, responsibilities and accountability arrangements

Combining departments: For each asset transferred and liability derecognised/removed, the carrying amount of the assets transferred and the liabilities derecognised/removed.

Where the accounting for the merger is incomplete, include information as required by paragraph .39

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

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STATEMENT OF CONDITIONAL GRANTS RECEIVED

GRANT ALLOCATION

2024/25

NAME OF GRANT	2024/25									
	Division of Revenue Act / Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (overspending)	% of available funds spent by dept	Division of Revenue Act / Provincial Grants
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Human Settlements Development Grant	1,302,346	640	-	-	1,302,986	1,302,986	1,299,274	3,712	99.7%	1,256,908
Informal Settlement Upgrading Partnership Grant	254,942	-	-	-	254,942	254,942	247,379	7,563	97.0%	507,135
	1,557,288	640	-	-	1,557,928	1,557,928	1,546,653	11,275		1,764,043
										1,763,240

276

Departments are reminded of the DORA requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of a province.

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

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STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

GRANT ALLOCATION

2024/25

NAME OF PROVINCE/GRANT	Division of Revenue Act / Provincial grants	Roll Overs	Adjustmen ts	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Departmen t	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by dept	Division of Revenue Act / Provincial grants	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000

Summary by province

Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
Free State	-	-	-	-	-	-	-	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-	-

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

[illegible]

National Departments are reminded of the DORA requirements by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

National Department surrender of unspent conditional grant not approved for rollover (To be completed by National Departments)

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

2025/26

2024/25

GRANT ALLOCATION

TRANSFER

NAME OF MUNICIPALITY	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department			DoRA and other transfers	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000		R'000		R'000	R'000

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department; certify that all transfers in terms of this Act were deposited into the primary bank account of a municipality or, where appropriate, into the CPD account of a municipality as well as indicate the funds utilised for the administration of the receiving officer.

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance

HUMAN SETTLEMENTS

VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

48 BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

ANNEXURE
11

49 NATURAL DISASTER OR RELIEF EXPENDITURE

	2025/26	2024/25
Note	R'000	R'000
Compensation of employees	-	-
Goods and services	-	-
Transfers and subsidies	-	-
Expenditure for capital assets	-	-
Other	-	-
Total	-	-

VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Annexures

Annexure 1D

NORTH WEST: HUMAN SETTLEMENTS

Annexures to the Annual Financial Statements

ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

[illegible]

HUMAN SETTLEMENTS

VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Public corporations									
Transfers	44,753	-	-	44,753	44,753	100.0%	-	44,753	44,753
NW Housing Corporation	44,753			44,753	44,753	100.0%		44,753	44,753
Subsidies	-	-	-	-	-	-	-	-	-
Subtotal: Public corporations	44,753	-	-	44,753	44,753	100.0%	-	44,753	44,753
Private enterprises									
Transfers	-	-	-	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-	-	-	-
Subtotal: Private enterprises	-	-	-	-	-	-	-	-	-
TOTAL	44,753	-	-	44,753	44,753	100.0%	-	44,753	44,753

HUMAN SETTLEMENTS

VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Annexure 1G
NORTH WEST: HUMAN SETTLEMENTS

Annexures to the Annual Financial Statements

	TRANSFER ALLOCATION						2024/25	
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Budget	Actual Transfer
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Household: Human Settlement Development Grant	1,302,346	640		1,302,986	1,299,274	99.7%	1,256,908	1,256,262
Household: Informal Settlement Upgrading Partnership Grant	254,942			254,942	247,379	97.0%	507,135	506,978

HUMAN SETTLEMENTS

VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Household - Other	-	-	202	152
Social benefit	909	909	1,278	1,071
			81.2%	
		738		
	1,558,197	640	-	1,547,391
		1,558,837	1,765,523	1,764,463
Subsidies				
Total	1,558,197	640	-	1,558,837
			1,547,391	1,765,523
				1,764,463

Annexure 1J

NORTH WEST: HUMAN SETTLEMENTS

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP

(Group major categories but list material items including name of organisation)

Made in kind

Gifts

2025/26

2024/25

R'000

R'000

HUMAN SETTLEMENTS

VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Total gifts	-	-
Donations		
Major	1,098	634
Mareetsane	30	105
Pholoso	-	144
Didintle	-	68
Mokgweetsi	-	160
Phetogo	132	157
Batswana	342	
Mosikare	174	
Kebalepile	283	
Omolemo	34	
Tshimologo	63	

HUMAN SETTLEMENTS

VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Reotshepile

40

Minor

123

120

287

Pholoso

45

Didintle

-

17

Mokgweetsi

-

4

Phetogo

-

29

Batswana

29

25

Mosikare

21

Kebalipe

15

15

HUMAN SETTLEMENTS

VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

NATURE OF LIABILITY	Opening balance 1 April 2025	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2026
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
					-
Selogilwe Building Contractors	14167				14,167
King and Associates	48832				48,832
Masikhule project Consultant	33021				33,021
Masontaga Jane Ranoka	138				138
Ponagalo Michel Marothhi and others	11550				11,550
King and Associates	168890				168,890
Geo 3 CC	217				217

HUMAN SETTLEMENTS

VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Relay Development	5402				5,402
John Mosimaneotsile Seate & Popi Agnes Mvakwendlu	7500				7,500
John Mosimaneotsile Seate & Popi Agnes Mvakwendlu	6000				6,000
Ms T Sewedi	407				407
Khumo Developers CC vs MEC, Dept of Human Settlements	8,806				8,806
					-
Subtotal	304,930	-	-	-	304,930

Environmental liability

Subtotal	-	-	-	-	-
Other					
Subtotal	-	-	-	-	-

HUMAN SETTLEMENTS

VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

TOTAL	304,930	-	-	-	304,930
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NORTH WEST: HUMAN SETTLEMENTS

CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2025/26*	
	31/03/2026	31/03/2025	31/03/2026	31/03/2025	31/03/2026	31/03/2025	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000

DEPARTMENTS

HUMAN SETTLEMENTS

VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

DEPARTMENT OF MILITARY VETERANS	546	-	-	-	546	-
PUBLIC WORKS AND ROADS	-	342	-	-	-	342
OTHER GOVERNMENT ENTITIES	546	342	-	-	546	342
Total	546	342	-	-	546	342

* For the Cash in transit columns - Please note the following:
- Provincial departments must only reflect receipts from departments within their province
- National departments must only reflect receipts from other national departments.

Annexure 5
NORTH WEST: HUMAN SETTLEMENTS

Annexures to the Annual Financial Statements

ANNEXURE 5

HUMAN SETTLEMENTS

VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

INTER-GOVERNMENTAL CONTINGENT LIABILITIES, PROVISIONS, ACCRUALS, PAYABLES NOT RECOGNISED AND EMPLOYEE BENEFITS

GOVERNMENT ENTITY	Total		Cash in transit at year end 2025/26*	
	31/03/2026	31/03/2025	Payment date up to six (6) working days before year end	Amount
	R'000	R'000		R'000
DEPARTMENTS				
Subtotal	-	-		-
Provisions				
Subtotal	-	-		-
Accruals				
Community safety	187	484		
Justice and Constitutional Development	1,091	611		
Agriculture Land Reform and Rural Development	6	-		

HUMAN SETTLEMENTS

VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

DEDECT	451	-
Subtotal	1,735	1,095
Payables not recognised		
Subtotal	-	-
Employee benefits		
Subtotal	-	-
Total Departments	1,735	1,095
Contingent liabilities	-	-
Provisions	-	-
Accruals	1,735	1,095
Payables not recognised	-	-
Employee benefits	-	-

HUMAN SETTLEMENTS

VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

OTHER GOVERNMENT ENTITIES

Contingent liabilities

Subtotal	-	-
Provisions		
Subtotal	-	-
Accruals		
Subtotal	-	-
Payables not recognised		
North west housing corporation	10,488	5,188
Subtotal	10,488	5,188
Employee benefits		

HUMAN SETTLEMENTS

VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Subtotal	-	-
Total Other Government Entities	10,488	5,188
Contingent liabilities	-	-
Provisions	-	-
Accruals	-	-
Payables not recognised	10,488	5,188
Employee benefits	-	-
TOTAL INTERGOVERNMENTAL CONTINGENT LIABILITIES, PROVISIONS, ACCRUALS, PAYABLES NOT RECOGNISED AND EMPLOYEE BENEFITS	12,223	6,283

HUMAN SETTLEMENTS

VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

* For the Cash in transit columns - Please note the following:
- Provincial departments must only reflect payments to departments within their province
- National departments must only reflect payments to other national departments.

HUMAN SETTLEMENTS

VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2026

Annexures

Annexure 10
NORTH WEST: HUMAN SETTLEMENTS

Annexures to the Annual Financial Statements

ONLY TO BE COMPLETED BY HUMAN SETTLEMENTS DEPARTMENTS

ANNEXURE 10

DEPARTMENT OF HUMAN SETTLEMENTS - HOUSING RELATED EXPENDITURE CLASSIFICATION

	31/03/2026	31/03/2025
Inventories	R'000	R'000
List the items for correct expenditure		
Subtotal	-	-
Expenditure for capital assets		
List the items for correct expenditure		
Subtotal	-	-

HUMAN SETTLEMENTS**VOTE 14****ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2026**Transfers and subsidies**

Human Settlement Development Grant	1,299,274	1,256,262
Informal Settlement Upgrading Partnership Grant	247,379	506,978

Subtotal	1,546,653	1,763,240
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TOTAL	1,546,653	1,763,240
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Capital commitments	31/03/2026	31/03/2025
---------------------	------------	------------

R'000

R'000

Buildings and other fixed structures

Heritage assets

Machinery and equipment

Specialised military assets

Land and subsoil assets

Biological assets

Intangible assets

Total	-	-
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Include discussion where deemed relevant



human settlements

Department:
Human Settlements
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

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HUMAN SETTLEMENTS ANNUAL REPORT 2025/26



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Department of Human Settlements North West



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